

# **EXHIBIT M**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
NORTHEASTERN DIVISION

NUCLEAR DEVELOPMENT LLC, )  
)  
)  
Plaintiff, )  
) Civil Action  
vs. ) Case Number  
)  
TENNESSEE VALLEY AUTHORITY, ) No.  
) 5:180cv-01983  
) -LCB  
Defendant. )

VIDEO RECORD & ORAL DEPOSITION OF  
Sherry Quirk  
Tuesday, October 29, 2019  
8:57 a.m.  
900 S. Gay Street  
9th Floor  
Knoxville, Tennessee 37902

Georgette H. Mitchell  
Registered Professional Reporter  
LCR-55 (TN)

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES OF COUNSEL:  2 ON BEHALF OF THE PLAINTIFF:  3 Caine O'Rear, III, Esq.  4 Hand Arendall Harrison Sale LLC  5 104 Saint Francis Street  6 Suite 300  7 Mobile, Alabama 36602  8 251.694.6308  9 Corear@handarendall.com  10 Larry D. Blust, Esq.  11 Hughes Socol Piers Resnick DYM LTD.  12 70 West Madison Street  13 Suite 4000  14 Chicago, Illinois 60602  15 312.604.2672  16 Lblust@hsplegal.com  17 ON BEHALF OF THE DEFENDANT:  18 Matthew H. Lembke, Esq.  19 Bradley Arant Boult Cummings LLP  20 One Federal Place  21 1819 Fifth Avenue North  22 Birmingham, Alabama 35203  23 205.521.8560  24 Mlembke@bradley.com  25 Office of the General Counsel  David D. Ayliffe, Esq.  Tennessee Valley Authority  400 West Summit Hill Drive, WT6  Knoxville, Tennessee 37902  865.632.8964  Ddayliffe@tva.gov  Also Present:  Timothy Prairie, Videographer</p>	<p style="text-align: right;">Page 4</p> <p>1 INDEX (CONTINUED)  2 Exhibit 26 - Bates No. TVABLN00000038, e-mail  3 from Larry Blust dated November 30, 2018. 103  4 Exhibit 27 - Minutes of Meeting of The Board  5 of Directors Tennessee Valley Authority, 109  6 November 14, 2018.  7 Exhibit 22 - Previously marked - Bates No.  8 TVABLN000008648, letter from Pillsbury. 112  9 Exhibit 4 - Previously marked, Bates No.  10 TVABLN000002633 through 2634, Proposed Board  11 Resolution. 115  12 Exhibit 24 - Previously marked, Bates No.  13 TVABLN000002651 through 2652, Letter from  14 Sherry Quirk to Nuclear Development and Larry  15 Blust. 125  16 Exhibit 28 - Bates No TVABLN000000040, e-mail  17 from Sherry Quirk to Larry Blust and others  18 dated November 16, 2018. 128  19 Exhibit 29 - Bates No. TVABLN000000042, e-mail  20 from Larry Blust to Sherry Quirk dated  21 November 23, 2018. 129  22 Exhibit 30 - Bates No. TVABLN000000660 through  23 661, e-mail from Larry Blust to Clifford  24 Beach, dated November 28, 2018. 129  25 Exhibit 31 - Bates No. ND_004950, e-mail from  Sherry Quirk to Larry Blust dated November 29,  2018. 130  Exhibit 25 - Bates No. TVABLN000006461 through  6464, e-mail and attachments from Sherry Quirk  to others dated November 30, 2018. 131  Exhibit 32 - Bates No. Bates No.  TVABLN000009316 through 9328, handwritten  notes. 134  Exhibit 15 - Bates No. TVABLN000006245 though  6246, Email from Autumn Beeler to Clifford  Beach and others dated October 25, 2018. 141</p>
<p style="text-align: right;">Page 3</p> <p>1 INDEX  2 SHERRY QUIRK 7  3 EXAMINATION BY MR. O'REAR 7  4 EXAMINATION BY MR. LEMBKE 135  5 EXHIBITS  6 Exhibit 4 - Previously marked - Bates No. 27  7 TVABLN000002633 through 2634, Resolution.  8 Exhibit 1 - Previously marked - Contract. 33  9 Exhibit 7 - Previously marked, Bates No.  10 TVABLN000001520 through 1523, e-mail from 51  11 Larry Blust dated August 18, 2017, to James  12 Chardos. 55  13 Exhibit 14 - Previously marked - Bates No.  14 TVABLN000005105 through 5109, E-mail chain from  15 Chris Chandler to Tim Matthews.  16 Exhibit 10 - Previously marked - Bates No.  17 TVABLN000008330 through 8331, e-mail from  18 Justin Maierhofer dated August 14, 2018. 60  19 Exhibit 11 - Previously marked - Bates  20 No.TVABKB000002045 through 2052, Memorandum  21 from United States Nuclear Regulatory  22 Commission to Jennifer Dixon-Herrity dated  23 September 4, 2018. 65  24 Exhibit 12 - Previously marked - Bates No.  25 TVABLN00000352, Letter from Aaron Nix to Larry  Blust, dated August 21, 2018. 69  Exhibit 13 - Previously marked - Bates No.  TVABLN000006238, Letter dated August 29, 2018 72  from Larry D. Blust.  Exhibit 15 - Previously marked - Bates No.  TVABLN000006245, e-mail dated October 25, 89  2018.  Exhibit 17 - Previously marked, Bates No.  TVABLN000002643, email from Clifford Beach 100  dated November 9, 2018.</p>	<p style="text-align: right;">Page 5</p> <p>1 STIPULATION  2  3 The videotaped deposition of SHERRY  4 QUIRK, called as a witness at the instance of the  5 Plaintiff, pursuant to all applicable rules, taken by  6 agreement on the 29th day of October, 2019, beginning  7 at approximately 9:00 a.m., at the law offices of  8 Woolf, McClane, Bright, Allen &amp; Carpenter, 900 S. Gay  9 Street, Suite 900, Knoxville, Tennessee, before  10 Georgette H. Mitchell, Registered Professional Reporter  11 and Notary Public, pursuant to the stipulation of  12 counsel.  13 It being agreed that  14 Georgette H. Mitchell, Registered Professional Reporter  15 and Notary Public, may report the deposition in machine  16 shorthand, afterwards reducing the same to typewriting.  17 All objections, except as to the form of  18 the question, are reserved to on or before the hearing.  19 It being further agreed that all  20 formalities as to notice, caption, certificate,  21 transmission, etc., excluding the reading of the  22 completed deposition by the witness and the signature  23 of the witness, are reserved.  24  25</p>

<p style="text-align: right;">Page 6</p> <p>1 (The deposition began at 8:57 a.m.)</p> <p>2 THE VIDEOGRAPHER: Okay. We're on the</p> <p>3 record. The time is 8:57 a.m., on October 29,</p> <p>4 2016.</p> <p>5 This is media unit number of the video</p> <p>6 recorded deposition of Sherry Quirk taken by</p> <p>7 counsel for the plaintiff in the matter of Nuclear</p> <p>8 Development, LLC versus Tennessee Valley Authority</p> <p>9 filed in the United States District Court for the</p> <p>10 the Northern District of Alabama, Northeastern</p> <p>11 Division.</p> <p>12 This deposition is being held at the law</p> <p>13 offices of Woolf, McClane, Bright, Allen &amp;</p> <p>14 Carpenter located at 900 South Gay Street, Suite</p> <p>15 900, Knoxville, Tennessee.</p> <p>16 My name is Tim Prarie, the videographer</p> <p>17 from Veritext Legal. The court reporter is</p> <p>18 Georgette Mitchell from Veritext Legal, and I'll</p> <p>19 ask counsel to please now identify themselves and</p> <p>20 then the court reporter will swear in the witness.</p> <p>21 MR. O'REAR: Caine O'Rear for the</p> <p>22 plaintiff, Nuclear Development.</p> <p>23 MR. BLUST: Larry Blust also for the</p> <p>24 plaintiff, Nuclear Development.</p> <p>25 MR. LEMBKE: Matt Lambke for defendant.</p>	<p style="text-align: right;">Page 8</p> <p>1 A. It's 400 West Summit Hill Drive,</p> <p>2 Knoxville, 37902.</p> <p>3 Q. Is that the TVA headquarters?</p> <p>4 A. It is the corporate headquarters, yes.</p> <p>5 Q. Tell us about your education, your</p> <p>6 undergraduate degree and any professional degrees you</p> <p>7 have?</p> <p>8 A. I have an undergraduate degree from Mount</p> <p>9 Holyoke College, bachelor of arts. My major was in</p> <p>10 anthropology.</p> <p>11 And then I went to law school at</p> <p>12 Washington College of Law, American University,</p> <p>13 Washington D.C. I went to night school and graduated</p> <p>14 in 1982.</p> <p>15 Q. Have you ever practiced law?</p> <p>16 A. Yes, I have.</p> <p>17 Q. Tell me about that.</p> <p>18 A. I began practicing law working for the</p> <p>19 Federal Energy Regulatory Commission and was there for</p> <p>20 about year and a half, maybe a little bit more. Then</p> <p>21 went into private practice and was at several firms.</p> <p>22 Q. So you graduated in, did you say '82 from</p> <p>23 law school?</p> <p>24 A. Yes, that's correct.</p> <p>25 Q. And you worked for a year?</p>
<p style="text-align: right;">Page 7</p> <p>1 MR. AYLIFFE: David Ayliffe for defendant</p> <p>2 TVA.</p> <p>3 SHERRY QUIRK,</p> <p>4 having first been duly sworn, was examined and deposed</p> <p>5 as follows:</p> <p>6 EXAMINATION BY MR. O'REAR:</p> <p>7 Q. State your name, please.</p> <p>8 A. Sherry Quirk.</p> <p>9 Q. Miss Quirk, are you with TVA?</p> <p>10 A. Yes, I am.</p> <p>11 Q. What's your position there?</p> <p>12 A. I am Executive Vice President and General</p> <p>13 Counsel of TVA. Also Secretary and Designated Agency</p> <p>14 Ethics Official.</p> <p>15 Q. Designated what?</p> <p>16 A. Agency Ethics Official.</p> <p>17 Q. Got you. And so are you Secretary to the</p> <p>18 Board of Directors?</p> <p>19 A. Yes, I am.</p> <p>20 Q. And that's an officer position of TVA --</p> <p>21 A. Yes, it is.</p> <p>22 Q. -- is that correct?</p> <p>23 And do you reside here in Knoxville?</p> <p>24 A. Yes, I do.</p> <p>25 Q. What's your business address?</p>	<p style="text-align: right;">Page 9</p> <p>1 A. About a year and a half, a little bit</p> <p>2 more.</p> <p>3 Q. And then you went into private practice</p> <p>4 with private law firms?</p> <p>5 A. That's correct, yes.</p> <p>6 Q. Over what period of time were you in</p> <p>7 private practice?</p> <p>8 A. I was in private practice from say early</p> <p>9 1984 through early 2015.</p> <p>10 Q. And what firms were you with?</p> <p>11 A. The first firm I was with was named</p> <p>12 Grove, Jacowitz, Gillum and Cobert, and I was there for</p> <p>13 a couple of years. Then I went to --</p> <p>14 Q. Where is that office?</p> <p>15 A. Washington, D.C. All of the firms that I</p> <p>16 worked for were in Washington, D.C.</p> <p>17 From Grove, Jacowitz I went to a firm</p> <p>18 named Verner Lipfert and I was there for, let's see,</p> <p>19 until about 2001.</p> <p>20 And from there I went to a firm named</p> <p>21 Sullivan &amp; Worcester and was there 'til, I believe</p> <p>22 about 2007. Then I went to the firm of Schiff Hardin,</p> <p>23 and was there until 2015.</p> <p>24 Q. When did you start with TVA?</p> <p>25 A. In February of 2015.</p>

<p style="text-align: right;">Page 10</p> <p>1 Q. What was your specialty or did you have a 2 specialty at any of the firms you worked at when you 3 were in private practice? 4 A. I did a little bit of litigation for the 5 first firm that I was with, but other than that I 6 specialized in the area of utilities, either utility 7 regulation or transactional work, some Legislative 8 work, some litigation, all surrounding the utility 9 industry. 10 Q. So you were in private practice up until 11 the time you started at TVA, is that correct? 12 A. That's correct. 13 Q. Are you licensed, currently licensed to 14 practice law in any state? 15 A. Yes, I am. 16 Q. Where? 17 A. District of Colorado. I only hesitate 18 because it is actually not a state. 19 Q. Okay. Are you licensed in Tennessee? 20 A. I am not. 21 Q. Are you a member of any bar association? 22 A. I am a member of the American Bar 23 Association, and I believe I'm a member of the 24 Knoxville Bar Association as well. 25 Q. Are you a member of the bar of any court?</p>	<p style="text-align: right;">Page 12</p> <p>1 appointed me. 2 Q. What are your duties and responsibilities 3 as General Counsel of TVA? 4 A. I am the chief legal officer and I 5 oversee the Office of General Counsel. 6 Q. All right. Do you attend board meetings 7 as an ex officio member? 8 A. Of the board? 9 Q. Yes. 10 A. No. 11 Q. Do you attend board meetings? 12 A. Yes, I do. 13 Q. Do you have a vote on the board? 14 A. I do not. 15 Q. Are you responsible for preparing the 16 minutes of the board meetings? 17 A. Yes, I am. 18 Q. Do you have any responsibility or duties 19 regarding board committee meetings? 20 A. I am the -- the executive who works with 21 the audit committee, and so I have responsibility for 22 the function of that committee and, you know, with 23 respect to the other committees I have general 24 responsibility with respect to governance matters and 25 legal matters.</p>
<p style="text-align: right;">Page 11</p> <p>1 A. Let's see. The Supreme Court. I believe 2 the Court of Appeals or the U.S. Court of Policies for 3 the District of Columbia, and I believe that that is 4 all. 5 Q. How did you become the General Counsel of 6 TVA, or let me ask you this. When you started, did you 7 start as General Counsel in 2015? 8 A. I did. 9 Q. Okay. And how did it come about that you 10 took that position? 11 A. I was contacted by a person who had been 12 hired by TVA to solicit interest in the General Counsel 13 position, and he asked me if I was interested in 14 working for TVA, and I said yes. 15 Q. And were you hired by the CEO of TVA? 16 A. Yes. 17 Q. Who was that at the time? 18 A. That was Bill Johnson. 19 Q. Did your -- did you have to be appointed 20 as Secretary by the Board of Directors? 21 A. I believe that's correct, yes. 22 Q. Okay. You don't know? 23 A. I think it must be correct. It happened 24 before I got there so I didn't witness it. I am 25 Secretary. They appoint the officers, so I assume they</p>	<p style="text-align: right;">Page 13</p> <p>1 Q. Do you attend board committee meetings? 2 A. I do. They -- until this current round, 3 they overlapped. So we would have several committee 4 meetings at one time. So I was unable to attend all of 5 them. 6 So in -- this time we had them run 7 sequentially so I did attend all of them. In the past 8 I have attended some of them. 9 Q. What do you mean this time or this round? 10 A. We just had a round of board committee 11 meetings. 12 Q. You mean the most recent -- 13 A. Yes. 14 Q. -- series of meetings? 15 A. Yes. 16 Q. So most recently you were able to attend 17 all of those meetings? 18 A. Yes, but not prior. 19 Q. And so when you say most recently, are 20 you talking about 2018 or 2019? 21 A. I'm talking about this past round in 22 October of 2019. 23 Q. That just happened? 24 A. Yes. 25 Q. And what are the board committees?</p>

<p style="text-align: right;">Page 14</p> <p>1 A. There are five committees. Audit, as I</p> <p>2 said, finance, people and personnel, external relations</p> <p>3 and the nuclear oversight committee.</p> <p>4 Q. I'm sorry. What was the next to last one</p> <p>5 you said before nuclear oversight and after personnel?</p> <p>6 A. Was it external relations?</p> <p>7 Q. What does that committee do?</p> <p>8 A. Talks about or it's jurisdiction is</p> <p>9 related to the various stakeholders and our external</p> <p>10 facing activities with our customers and with the</p> <p>11 public.</p> <p>12 Q. Are minutes kept of the board committee</p> <p>13 meetings?</p> <p>14 A. Yes, they are.</p> <p>15 Q. And where do they -- who's the custodian</p> <p>16 of those minutes?</p> <p>17 A. Those are -- we keep those with our</p> <p>18 records. We have a records repository and they are</p> <p>19 with them.</p> <p>20 Q. All right. Are you in charge of that?</p> <p>21 A. I guess, yes.</p> <p>22 Q. Are those minutes publically available?</p> <p>23 A. No, they're not.</p> <p>24 Q. Do the committees make recommendations to</p> <p>25 the board?</p>	<p style="text-align: right;">Page 16</p> <p>1 A. The purpose was for the senior leadership</p> <p>2 of the company to come together periodically and share</p> <p>3 information and discuss matters that might be of</p> <p>4 enterprise-wide significance, and the idea was that</p> <p>5 each person could bring their expertise and their</p> <p>6 knowledge of or acquaintance with an issue to bear in</p> <p>7 discussing matters.</p> <p>8 Q. Did the Executive Management Council</p> <p>9 report to any board committee or to the board as a</p> <p>10 whole?</p> <p>11 A. Not directly, no.</p> <p>12 Q. So did the Executive Management Council</p> <p>13 report to the CEO?</p> <p>14 A. That's correct, and the CEO reports to</p> <p>15 the board.</p> <p>16 Q. Did the Executive Management Council ever</p> <p>17 keep minutes under Bill Johnson's tenure?</p> <p>18 A. No.</p> <p>19 Q. Are there any records or notes of any</p> <p>20 type regarding meetings of the Executive Management</p> <p>21 Committee under Bill Johnson's tenure?</p> <p>22 A. Other than people's personal notes, no.</p> <p>23 Q. Did you make any personal notes at any of</p> <p>24 those meetings?</p> <p>25 A. From time to time, probably.</p>
<p style="text-align: right;">Page 15</p> <p>1 A. That is correct.</p> <p>2 Q. All right. Do the committees act only in</p> <p>3 an advisory capacity to the board as a whole?</p> <p>4 A. That's correct.</p> <p>5 Q. Are you a member of the Executive</p> <p>6 Management Council?</p> <p>7 A. I was. It has been renamed.</p> <p>8 Q. All right. What's the name of it</p> <p>9 currently?</p> <p>10 A. It's now called the Executive Leadership</p> <p>11 Team, but while Bill Johnson was CEO it was the EMC.</p> <p>12 Q. Did the new CEO change the name?</p> <p>13 A. Yes?</p> <p>14 Q. Who is new CEO?</p> <p>15 A. Jeffrey Lyash.</p> <p>16 Q. And when did he begin?</p> <p>17 A. In May of this year, 2019.</p> <p>18 Q. Were you a member under Bill Johnson of</p> <p>19 the Executive Management Council?</p> <p>20 A. Yes, I was.</p> <p>21 Q. Are you now a member of the Executive</p> <p>22 Leadership Team?</p> <p>23 A. Yes, I am.</p> <p>24 Q. And when Bill Johnson was CEO, what was</p> <p>25 the purpose of the Executive Management Council?</p>	<p style="text-align: right;">Page 17</p> <p>1 Q. Did you make any personal notes at</p> <p>2 meetings of the Executive Management Council regarding</p> <p>3 the Bellefonte plant?</p> <p>4 A. I don't recall whether I did or not.</p> <p>5 Q. Did you make any notes of meetings of the</p> <p>6 Executive Management Council regarding Nuclear</p> <p>7 Development?</p> <p>8 A. I don't recall.</p> <p>9 Q. Have you checked?</p> <p>10 A. I've not checked, no.</p> <p>11 Q. Okay. The Executive Management Council</p> <p>12 has no power to make any decisions on behalf of TVA, is</p> <p>13 that correct?</p> <p>14 A. As a body, no.</p> <p>15 Q. Okay. You're head of the General</p> <p>16 Counsel's Office, correct?</p> <p>17 A. Correct.</p> <p>18 Q. Are you head of the legal department of</p> <p>19 TVA?</p> <p>20 A. Yes, if I understand what you're asking.</p> <p>21 Q. All right. How many lawyers work at TVA?</p> <p>22 A. I'm not sure how many lawyers work at</p> <p>23 TVA. I can tell you how many work in the legal</p> <p>24 department.</p> <p>25 Q. Okay. Tell me that.</p>

5 (Pages 14 - 17)

<p style="text-align: right;">Page 18</p> <p>1 A. About a little over 40.</p> <p>2 Q. And is the legal department divided into</p> <p>3 offices or divisions according to areas of</p> <p>4 responsibility?</p> <p>5 A. Yes.</p> <p>6 Q. And what are those?</p> <p>7 A. Currently?</p> <p>8 Q. Yes. Well, has it changed over the last</p> <p>9 few years?</p> <p>10 A. Yes, it's changed a couple of times.</p> <p>11 Q. Okay. I'm not going to ask you about if</p> <p>12 it's changed since the new CEO came in, but prior to</p> <p>13 that under Mr. Johnson's tenure, what were the offices</p> <p>14 or divisions of the legal department?</p> <p>15 A. I'll try to get this right because we</p> <p>16 have changed a bit. It's generally speaking, we have a</p> <p>17 procurement section that deals with procurement and</p> <p>18 commercial contracts and realty, some realty matters.</p> <p>19 We have a nuclear section that deals with</p> <p>20 licensing and other nuclear issues.</p> <p>21 We have an employment section that deals</p> <p>22 with various employment issues that a rise at an agency</p> <p>23 or enterprise like TVA.</p> <p>24 We have a power section that deals with</p> <p>25 our power contracts, with our customers, our regulatory</p>	<p style="text-align: right;">Page 20</p> <p>1 A. Chris Chandler, Ryan Dreke and half time</p> <p>2 David Codevilla.</p> <p>3 Q. Does Chris Chandler report to you?</p> <p>4 A. Yes, he does.</p> <p>5 Q. How many lawyers are in the procurement</p> <p>6 section that deal with realty issues?</p> <p>7 A. Currently?</p> <p>8 Q. Yes.</p> <p>9 A. Let's see. I believe there are five now.</p> <p>10 Q. Who is head of that department?</p> <p>11 A. Jarom Smartt.</p> <p>12 Q. Who was head of that department in 2018?</p> <p>13 A. I think Jarom Smartt was head of it then</p> <p>14 as well.</p> <p>15 Q. Does TVA have a separate realty services</p> <p>16 department that is not part of the legal department?</p> <p>17 A. Yes, it does.</p> <p>18 Q. And who heads that department if you</p> <p>19 know, or who headed it in 20 -- in the years 2016,</p> <p>20 2017, and 2018?</p> <p>21 A. I believe it was Aaron Nix, but I -- in</p> <p>22 my capacity as General Counsel most of what transpired</p> <p>23 between my office and realty was handled by those who</p> <p>24 report to me or are on a level below.</p> <p>25 Q. Meaning Jarom Smartt?</p>
<p style="text-align: right;">Page 19</p> <p>1 function, and various customer issues.</p> <p>2 And we have an environmental function</p> <p>3 that deals with the various environmental issues.</p> <p>4 Q. How many lawyers are assigned to the --</p> <p>5 A. Will you give me a moment because I just</p> <p>6 -- I'm just going to review to make sure I'm not</p> <p>7 missing.</p> <p>8 And litigation. Sorry, David. That was</p> <p>9 an important pause.</p> <p>10 Q. How many lawyers are assigned to the</p> <p>11 nuclear department?</p> <p>12 A. Currently? Three.</p> <p>13 Q. In 2018?</p> <p>14 A. I think it would depend on which part of</p> <p>15 2018 we're talking about, but two to three.</p> <p>16 Q. And who are those lawyers that were</p> <p>17 assigned in 2018?</p> <p>18 A. I believe it would have been Chris</p> <p>19 Chandler as head of the group, Ryan Dreke, and someone</p> <p>20 who has since left. Blake, whose last name escapes me.</p> <p>21 Q. How do you spell Dreke?</p> <p>22 A. D-r-e-k-e.</p> <p>23 Q. And someone named Blake?</p> <p>24 A. Yes.</p> <p>25 Q. Who are the three members now?</p>	<p style="text-align: right;">Page 21</p> <p>1 A. Or someone working for him or in another</p> <p>2 department.</p> <p>3 Q. Okay. So you had no direct reporting</p> <p>4 from the realty services department to you, is that</p> <p>5 correct?</p> <p>6 A. No. I may have been in a meeting or two,</p> <p>7 but other than that I didn't have contact, direct</p> <p>8 contact.</p> <p>9 Q. Are there lawyers assigned to the</p> <p>10 department that Mr. Nix is at for 2016 through 2018?</p> <p>11 A. Are there lawyers?</p> <p>12 Q. Are there lawyers assigned to that</p> <p>13 department?</p> <p>14 A. Yes.</p> <p>15 Q. How many lawyers are assigned to that?</p> <p>16 A. I don't know.</p> <p>17 Q. Okay. Do you work with those lawyers?</p> <p>18 A. I do not, not directly.</p> <p>19 Q. Is there a separate licensing department</p> <p>20 for TVA apart from the lawyers who work on licensing in</p> <p>21 the legal department?</p> <p>22 A. You mean a nonlegal department?</p> <p>23 Q. Right.</p> <p>24 A. Yes, there is.</p> <p>25 Q. Okay. Who headed that licensing</p>



<p style="text-align: right;">Page 22</p> <p>1 department up from 2016 through 2018?</p> <p>2 A. Joe Shea.</p> <p>3 Q. Are there lawyers assigned to that</p> <p>4 department?</p> <p>5 A. You mean within that department?</p> <p>6 Q. Yes.</p> <p>7 A. Or in my department?</p> <p>8 Q. Within that department.</p> <p>9 A. Not as far as I know.</p> <p>10 Q. Okay. Are there lawyers in the legal</p> <p>11 department that are assigned to the licensing</p> <p>12 department?</p> <p>13 A. Assigned to work with them, yes.</p> <p>14 Q. Okay. And who are those lawyers?</p> <p>15 A. That would be primarily Chris Chandler.</p> <p>16 Q. And who is Jack, nickname Nick McCall?</p> <p>17 A. Nick works in the commercial contracts</p> <p>18 procurement group.</p> <p>19 Q. Okay. In the legal department?</p> <p>20 A. Yes.</p> <p>21 Q. And so is that -- is that under the</p> <p>22 procurement section that you mentioned?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And what were his responsibilities</p> <p>25 and authority as it related to the purchase and sale</p>	<p style="text-align: right;">Page 24</p> <p>1 Development?</p> <p>2 A. I don't know.</p> <p>3 Q. And who is Greg Signer?</p> <p>4 A. Signer.</p> <p>5 Q. Signer. For the court reporter, that's</p> <p>6 S-i-g-n-e-r, correct?</p> <p>7 A. Yes. Greg Signer was head of the</p> <p>8 environmental group until his retirement.</p> <p>9 Q. When did he retire?</p> <p>10 A. I think it was in early -- it was either</p> <p>11 2016 or 2017.</p> <p>12 Q. And he reported to you as head of that</p> <p>13 environmental group?</p> <p>14 A. That's correct.</p> <p>15 Q. Did Mr. Signer have any responsibilities</p> <p>16 or duties with respect to the purchase and sale</p> <p>17 agreement between Nuclear Development and TVA?</p> <p>18 A. I am not aware of exactly what his</p> <p>19 involvement in that agreement was. I know that he was</p> <p>20 involved in the lead-up to -- you know, he was involved</p> <p>21 in various activities related to the transfer of the</p> <p>22 facility, but I don't recall exactly what he might have</p> <p>23 done with respect to the agreement.</p> <p>24 Q. What activities were he involved -- was</p> <p>25 he involved in regarding the process of the sale of the</p>
<p style="text-align: right;">Page 23</p> <p>1 agreement between Nuclear Development and TVA?</p> <p>2 A. I believe he was involved in developing</p> <p>3 that agreement. I did not directly supervise him, so</p> <p>4 I'm not aware of his exact activities.</p> <p>5 Q. And who did he report to in that respect,</p> <p>6 in other words, with respect to that function of</p> <p>7 working on the purchase and sale agreement?</p> <p>8 A. During the time period that that would</p> <p>9 have been happening he would have been reporting to</p> <p>10 Cliff Beach.</p> <p>11 Q. Did Mr. McCall have any final</p> <p>12 decisionmaking authority over the terms or conditions</p> <p>13 of the purchase and sale agreement?</p> <p>14 A. No.</p> <p>15 Q. To your knowledge, did Mr. McCall have</p> <p>16 any direct communications regarding Bellefonte with the</p> <p>17 National Regulatory Commission?</p> <p>18 MR. LAMBKE: You mean --</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. Nuclear Regulatory Commission?</p> <p>21 A. Nick McCall with the NRC?</p> <p>22 Q. Yes.</p> <p>23 A. I'm not aware of any. I just don't know.</p> <p>24 Q. To your knowledge, did he have any direct</p> <p>25 communications with representatives of Nuclear</p>	<p style="text-align: right;">Page 25</p> <p>1 facility?</p> <p>2 A. He was involved in advising on</p> <p>3 environmental issues. I believe that he also worked</p> <p>4 with our realty department in addressing some of the</p> <p>5 aspects of the sale and in making sure that the sale</p> <p>6 was executed in accordance with our legal requirements.</p> <p>7 Q. Was he evolved in any environmental</p> <p>8 review regarding the sale?</p> <p>9 A. He was involved in looking at some of the</p> <p>10 prior environmental reviews that had been done of the</p> <p>11 site, but I don't recall whether he was involved in the</p> <p>12 environmental review that occurred after the auction.</p> <p>13 Q. Between -- when you say the auction, the</p> <p>14 one in November of 2016?</p> <p>15 A. That's correct.</p> <p>16 Q. So you don't know whether he was involved</p> <p>17 in any environmental review between the date of the</p> <p>18 contract of November 14, 2016, and the date of the</p> <p>19 scheduled closing in November of 2018?</p> <p>20 A. I believe he would have been involved in</p> <p>21 looking at what our environmental requirements would</p> <p>22 be.</p> <p>23 I draw a distinction between an</p> <p>24 environmental review that is an active review pursuant</p> <p>25 to legal requirements and one that involves determining</p>



<p style="text-align: right;">Page 26</p> <p>1 what those requirements are, and he was, as far as I</p> <p>2 know, more involved in the latter than -- excuse me --</p> <p>3 the former than the latter.</p> <p>4 Q. Were there any environmental issues which</p> <p>5 would have prevented the closing of that transaction?</p> <p>6 A. We determined that -- that we could go to</p> <p>7 closing with the environmental record as it was.</p> <p>8 Q. Who at TVA was responsible for the final</p> <p>9 approval of all the terms and conditions of the</p> <p>10 contract?</p> <p>11 A. That would be Bill Johnson.</p> <p>12 Q. Okay. Well, he said you were. Did you</p> <p>13 read his testimony?</p> <p>14 A. I did.</p> <p>15 Q. Okay.</p> <p>16 A. But as CEO, pursuant to the resolution</p> <p>17 that the board passed, it actually was technically his</p> <p>18 authority, and so those of us who supported him made</p> <p>19 recommendations to him.</p> <p>20 Q. Did you make recommendations to him?</p> <p>21 MR. LEMBKE: That's a yes or no question,</p> <p>22 Miss Quirk.</p> <p>23 THE WITNESS: Yes.</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. Regarding the terms and conditions of the</p>	<p style="text-align: right;">Page 28</p> <p>1 consultant firm, Concentric.</p> <p>2 Q. Do you know what lawyers worked under Mr.</p> <p>3 Beach on that project?</p> <p>4 A. I believe it was Nick McCall, and as I</p> <p>5 said I'm not sure whether Greg would still have been</p> <p>6 there or not, but I don't know beyond that who was on</p> <p>7 the team.</p> <p>8 Q. Did the team have a name? Did that team</p> <p>9 have a name?</p> <p>10 A. I don't know that they had anything more</p> <p>11 catchy than the Bellefonte team.</p> <p>12 Q. Did Mr. Beach report to you in terms of</p> <p>13 matters regarding the negotiation of the terms of the</p> <p>14 contract?</p> <p>15 A. Yes.</p> <p>16 Q. Did you report to Mr. Johnson regarding</p> <p>17 matters involving the negotiation of the terms of the</p> <p>18 contract?</p> <p>19 A. Yes, generally.</p> <p>20 Q. Did you report to him with respect to any</p> <p>21 specific provisions of the contract?</p> <p>22 MR. LAMBKE: That's a yes or no question,</p> <p>23 Miss Quirk.</p> <p>24 THE WITNESS: Yes.</p> <p>25 BY MR. O'REAR:</p>
<p style="text-align: right;">Page 27</p> <p>1 contract? The question is, did you make</p> <p>2 recommendations to him regarding the terms and</p> <p>3 conditions of the contract?</p> <p>4 MR. LAMBKE: It's again a yes or no</p> <p>5 question.</p> <p>6 THE WITNESS: Yes, generally.</p> <p>7 BY MR. O'REAR:</p> <p>8 Q. When you said he was authorized by</p> <p>9 resolution, what were you referring to?</p> <p>10 A. When the board approved or declared the</p> <p>11 Bellefonte site to be surplus, it passed a resolution</p> <p>12 providing the CEO with the authority to move forward in</p> <p>13 the sale of the site at auction.</p> <p>14 (Exhibit 4 - Previously marked - Bates No.</p> <p>15 TVABLN000002633 through 2634, Resolution.)</p> <p>16 BY MR. O'REAR:</p> <p>17 Q. Let me show you has been previously</p> <p>18 marked as Exhibit 4. Is that the resolution that</p> <p>19 you're referring to?</p> <p>20 A. It appears to be, yes.</p> <p>21 Q. Within the legal department, who worked</p> <p>22 on the negotiations and review of the contract terms</p> <p>23 before the contract was executed?</p> <p>24 A. I believe that Cliff Beach was overseeing</p> <p>25 that process and he was working with an outside</p>	<p style="text-align: right;">Page 29</p> <p>1 Q. Okay. And which ones?</p> <p>2 MR. LAMBKE: I instruct you not to answer</p> <p>3 that question. That would require disclosure of</p> <p>4 attorney/client privilege material.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. What was the role of Concentric Energy</p> <p>7 Advisors in this process?</p> <p>8 A. We hired Concentric to help to conduct</p> <p>9 the auction and to elicit interest in the site.</p> <p>10 Q. Was Concentric involved in negotiating</p> <p>11 the terms of the contract with Nuclear Development?</p> <p>12 A. I don't know for certain, but I would</p> <p>13 imagine they were.</p> <p>14 Q. Was there a written contract with</p> <p>15 Concentric that outlined the scope of it's work?</p> <p>16 A. I'm certain there was.</p> <p>17 Q. When was that contract entered into?</p> <p>18 A. I don't recall.</p> <p>19 Q. If the contract was signed as of</p> <p>20 November 14, 2016, do you have any idea how much prior</p> <p>21 to that, how much time prior to that there would have</p> <p>22 been an agreement with Concentric, or when did they</p> <p>23 begin being involved?</p> <p>24 A. I would be guessing.</p> <p>25 MR. LEMBKE: Objection to the form.</p>

<p style="text-align: right;">Page 30</p> <p>1 Compound question. Vague.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. Well, I was trying to ask the same</p> <p>4 question two ways. Okay.</p> <p>5 When did Concentric start working under</p> <p>6 this contract?</p> <p>7 A. I would be guessing if I gave you a time.</p> <p>8 Q. Would it have been sometime in 2016?</p> <p>9 A. I believe so, but I'm not sure.</p> <p>10 Q. And did the process work where Concentric</p> <p>11 would have communications with representatives of</p> <p>12 Nuclear Development and they would take any questions</p> <p>13 or issues to be decided to Mr. Beach for direction?</p> <p>14 A. I don't know for certain.</p> <p>15 Q. Did Mr. Beach ever bring to you any</p> <p>16 particular issues involving negotiations with Nuclear</p> <p>17 Development regarding the terms of the contract?</p> <p>18 MR. LAMBKE: That's a yes or no question.</p> <p>19 THE WITNESS: Yes.</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. And did you make final decisions on those</p> <p>22 terms?</p> <p>23 A. No.</p> <p>24 Q. Who would have made the final decisions?</p> <p>25 A. The -- from my perspective as General</p>	<p style="text-align: right;">Page 32</p> <p>1 question.</p> <p>2 THE WITNESS: One of our concerns -- well</p> <p>3 our --</p> <p>4 MR. LEMBKE: Hold it. I'm going to</p> <p>5 instruct you not to disclose -- your -- discussing</p> <p>6 your concerns would require you to disclose your</p> <p>7 work product and that I instruct you not to</p> <p>8 answer.</p> <p>9 You should limit your answer here to just</p> <p>10 a statement of issues that bubbled up from Nuclear</p> <p>11 Development during the negotiations.</p> <p>12 Do you understand my instruction?</p> <p>13 THE WITNESS: Yes. The only issue that I</p> <p>14 recall is the question of the period of time</p> <p>15 between auction and closing.</p> <p>16 BY MR. O'REAR:</p> <p>17 Q. Concentric's work occurred before the</p> <p>18 contract was entered into between TVA and Nuclear</p> <p>19 Development, correct?</p> <p>20 A. Correct.</p> <p>21 Q. Did Concentric work with the other</p> <p>22 prospective bidders regarding terms and conditions of</p> <p>23 contracts with them?</p> <p>24 A. Yes, as far -- I'm aware that they did.</p> <p>25 Q. So they would have undertaken the same</p>
<p style="text-align: right;">Page 31</p> <p>1 Counsel, my team would have recommended and negotiated</p> <p>2 a deal that was then presented for the CEO's review.</p> <p>3 Q. Would those recommendations have come at</p> <p>4 the conclusion of the negotiation process in the form</p> <p>5 of recommending the entire contract?</p> <p>6 A. I believe so. I mean, there may have</p> <p>7 been some terms that bubbled up before.</p> <p>8 Q. Well, what terms bubbled up before?</p> <p>9 MR. LEMBKE: I instruct you not to answer</p> <p>10 that question. It would require you to disclose</p> <p>11 attorney/client communications.</p> <p>12 MR. O'REAR: I'm not asking her about</p> <p>13 communications. I'm asking her what issues in the</p> <p>14 negotiation bubbled up before the contract as a</p> <p>15 whole was recommended to the CEO.</p> <p>16 MR. LAMBKE: Well, but what you're asking</p> <p>17 her what issues she communicated. By doing that</p> <p>18 you're asking her what issues bubbled up that she</p> <p>19 conveyed to Bill Johnson.</p> <p>20 MR. O'REAR: Well, I didn't ask that.</p> <p>21 That wasn't -- I did ask that earlier.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. But the question I'm asking you now is,</p> <p>24 what issues bubbled up?</p> <p>25 MR. LEMBKE: You can answer that</p>	<p style="text-align: right;">Page 33</p> <p>1 exercise with respect to those prospective bidders as</p> <p>2 they did with Nuclear Development, correct?</p> <p>3 A. Correct.</p> <p>4 Q. Do you know who those other prospective</p> <p>5 bidders were?</p> <p>6 A. I know of two. One was NextEra or some</p> <p>7 NextEra connected company, and the other was an Indian</p> <p>8 company whose name I just don't recall.</p> <p>9 Q. Something like National Environmental</p> <p>10 Services?</p> <p>11 A. That sounds right, but I don't have a</p> <p>12 specific recollection of it.</p> <p>13 Q. And with respect to Mr. Beach's</p> <p>14 involvement, he would have been involved with</p> <p>15 Concentric on those prospective bidders just as he was</p> <p>16 on Nuclear Development?</p> <p>17 A. That's my understanding, yes.</p> <p>18 Q. And I assume Concentric was paid a fee by</p> <p>19 TVA for it's services, correct?</p> <p>20 A. That's correct.</p> <p>21 Q. And was Concentric paid out of the money</p> <p>22 that Nuclear Development put up upon the execution of</p> <p>23 the contract in 2016?</p> <p>24 A. I don't know.</p> <p>25 (Exhibit 1 - Previously marked - Contract.)</p>

<p style="text-align: right;">Page 34</p> <p>1 BY MR. O'REAR:</p> <p>2 Q. Let me direct your attention to the</p> <p>3 contract which has been marked previously as Exhibit I</p> <p>4 to the deposition of Mr. Johnson.</p> <p>5 If you would turn to section five of that</p> <p>6 contract, page six. Directing your attention to</p> <p>7 section 5C. Are you there?</p> <p>8 A. Yes, I am.</p> <p>9 Q. Was the payment to Concentric part of the</p> <p>10 compensated costs that were paid for in the amount of</p> <p>11 \$750,000 by Nuclear Development?</p> <p>12 MR. LEMBKE: Object to the form. Lack of</p> <p>13 foundation.</p> <p>14 MR. O'REAR: What's the lack of</p> <p>15 foundation?</p> <p>16 MR. LEMBKE: You haven't established --</p> <p>17 you put a document in front of her that you've not</p> <p>18 established she's ever seen before.</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. Oh, you've never seen the contract</p> <p>21 between TVA and Nuclear Development?</p> <p>22 MR. LEMBKE: Object to the form.</p> <p>23 Argumentative.</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. Have you ever seen it?</p>	<p style="text-align: right;">Page 36</p> <p>1 negotiations of the contract?</p> <p>2 A. I believe her first name was Kari.</p> <p>3 Q. Was it Kari O'Neil?</p> <p>4 A. That sounds right.</p> <p>5 Q. Do you know whether she was a lawyer or</p> <p>6 not?</p> <p>7 A. I don't believe so, but I'm not certain.</p> <p>8 Q. Were you aware that during the</p> <p>9 negotiation process that Mr. Larry Blust, who is seated</p> <p>10 here next to me, made a request on behalf of Nuclear</p> <p>11 Development to include a provision in the contract that</p> <p>12 the transfer of the construction permits would be from</p> <p>13 TVA to Nuclear Development, would be a condition of the</p> <p>14 closing of the sales transaction?</p> <p>15 A. I generally recall that, yes.</p> <p>16 Q. And were you involved in that</p> <p>17 consideration of that request at all?</p> <p>18 A. I was involved in discussions with the</p> <p>19 team over how to address that.</p> <p>20 Q. And how was that decided?</p> <p>21 MR. LEMBKE: Object to the form.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. Or what was decided?</p> <p>24 MR. LEMBKE: Well, to the extent that is</p> <p>25 calling for you to disclose the internal work</p>
<p style="text-align: right;">Page 35</p> <p>1 A. Yes, I've seen it.</p> <p>2 Q. Did you ultimately recommend approval of</p> <p>3 this contract to the CEO?</p> <p>4 MR. LEMBKE: I instruct you not to answer</p> <p>5 that question. It would require you to disclose</p> <p>6 attorney/client communications.</p> <p>7 BY MR. O'REAR:</p> <p>8 Q. So you're not going to answer that</p> <p>9 question?</p> <p>10 A. I'm going to follow my lawyer's guidance.</p> <p>11 Q. All right. Look at section 5C. Was the</p> <p>12 payment TVA made to Concentric from money paid to TVA</p> <p>13 by Nuclear Development upon execution of the contract?</p> <p>14 MR. LEMBKE: I'm going to object to the</p> <p>15 form. Are you asking her about what the document</p> <p>16 says or what happened?</p> <p>17 MR. O'REAR: Well, I'm asking her if she</p> <p>18 can tell me by looking at the contract.</p> <p>19 THE WITNESS: What's the question again?</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. The question is, was Concentric paid out</p> <p>22 of money provided by Nuclear Development?</p> <p>23 A. That's what this language appears to say.</p> <p>24 Q. Do you know who the point person at</p> <p>25 Concentric was in terms of communicating with TVA about</p>	<p style="text-align: right;">Page 37</p> <p>1 product of TVA, I instruct -- of TVA lawyers, I</p> <p>2 instruct you not to answer that question.</p> <p>3 THE WITNESS: I can tell you the ultimate</p> <p>4 provision that emerged from -- with respect to</p> <p>5 this issue, which is that there would be a</p> <p>6 two-year period between the auction and closing</p> <p>7 which was considered to be ample for all necessary</p> <p>8 approvals.</p> <p>9 BY MR. O'REAR:</p> <p>10 Q. Who made the decision at TVA to deny the</p> <p>11 request of Nuclear Development that transfer of the</p> <p>12 construction permits be a condition of closing?</p> <p>13 A. I don't understand your question.</p> <p>14 Q. Who made the ultimate decision to deny</p> <p>15 Mr. Blust's requests on behalf of Nuclear Development</p> <p>16 that transfer of the construction permits be a</p> <p>17 condition of closing the sales transaction?</p> <p>18 A. The team negotiated a number of terms and</p> <p>19 conditions, including this, made a recommendation that</p> <p>20 the -- that I and the CEO, I recommend this to the CEO,</p> <p>21 and as an entirety those terms were adopted or accepted</p> <p>22 by the CEO.</p> <p>23 Q. Were you aware that TVA made certain</p> <p>24 representations and warranties in the contract in order</p> <p>25 to induce Nuclear Development to enter into the</p>

<p style="text-align: right;">Page 38</p> <p>1 contract?</p> <p>2 MR. LEMBKE: Object to the form. Lack of</p> <p>3 foundation.</p> <p>4 BY MR. O'REAR:</p> <p>5 Q. Go ahead.</p> <p>6 MR. LEMBKE: You can answer, if you know.</p> <p>7 THE WITNESS: Can you repeat the question?</p> <p>8 BY MR. O'REAR:</p> <p>9 Q. Were you aware that TVA made certain</p> <p>10 recommendations and warranties in the contract in order</p> <p>11 to induce them ---</p> <p>12 MR. LEMBKE: Let me stop you, Caine. You</p> <p>13 said recommendations. I don't think you meant to</p> <p>14 say that.</p> <p>15 MR. O'REAR: Excuse me. Representations.</p> <p>16 I didn't. I appreciate it. I'll start over.</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. Are you aware that TVA made certain</p> <p>19 representations and warranties in the contract in order</p> <p>20 to induce Nuclear Development to enter into the</p> <p>21 contract?</p> <p>22 MR. LEMBKE: Same objection.</p> <p>23 THE WITNESS: I know there is a</p> <p>24 representations and warranties section. What</p> <p>25 effect that had on Nuclear Development, I can't</p>	<p style="text-align: right;">Page 40</p> <p>1 the purchase and sale transactions provided for</p> <p>2 therein, and no authorization, consent or approval or</p> <p>3 other order or action of or filing with any</p> <p>4 governmental authority is required for the execution</p> <p>5 and delivery by the TVA of this agreement or the</p> <p>6 consummation by the TVA of the transactions</p> <p>7 contemplated therein."</p> <p>8 Q. Now, is the Nuclear Regulatory Commission</p> <p>9 a governmental authority as that term is used in this</p> <p>10 section?</p> <p>11 A. I would assume so. I haven't checked the</p> <p>12 definition, but I would assume so.</p> <p>13 Q. If you would look to section -- just so</p> <p>14 we can clarify that. If you would look to section nine</p> <p>15 of the contract as it continues from page nine to page</p> <p>16 ten.</p> <p>17 Does the term -- is the term governmental</p> <p>18 authority defined to include any federal regulatory or</p> <p>19 administrative agency?</p> <p>20 A. Yes.</p> <p>21 Q. And would that include the Nuclear</p> <p>22 Regulatory Commission?</p> <p>23 A. I would assume so, yes.</p> <p>24 Q. In fact, other than the Nuclear</p> <p>25 Regulatory Commission, were there any other</p>
<p style="text-align: right;">Page 39</p> <p>1 say.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. I direct your attention to section seven</p> <p>4 of the contract before you, which is Exhibit 1. If you</p> <p>5 would look to page eight.</p> <p>6 Do you have that before you?</p> <p>7 A. I do.</p> <p>8 Q. And section seven is captioned TVA's</p> <p>9 representation and warranties, correct?</p> <p>10 A. That's correct.</p> <p>11 Q. Then A, subsection A says what? What's</p> <p>12 the preamble of section A say?</p> <p>13 A. "To induce buyer to enter into this</p> <p>14 agreement, TVA represents and warrants as follows."</p> <p>15 Q. So the inducement language is in the</p> <p>16 contract itself, correct?</p> <p>17 A. It is.</p> <p>18 Q. All right. And if you would direct your</p> <p>19 attention to romanette seven under subsection 7A. Do</p> <p>20 you see that?</p> <p>21 A. Yes.</p> <p>22 Q. Would you read that romanette seven into</p> <p>23 the record, please.</p> <p>24 A. "TVA has full right, power, and authority</p> <p>25 to execute and deliver this agreement and to consummate</p>	<p style="text-align: right;">Page 41</p> <p>1 governmental authorities that were contemplated when</p> <p>2 TVA signed the contract with section 7A, romanette 7 in</p> <p>3 it?</p> <p>4 MR. LEMBKE: Miss Quirk, to the extent</p> <p>5 that would require you to disclose attorney work</p> <p>6 product, I instruct you not to answer the</p> <p>7 question.</p> <p>8 To the extent you can answer it without</p> <p>9 disclosing attorney work product, you can go</p> <p>10 ahead.</p> <p>11 THE WITNESS: I am not aware of any</p> <p>12 others.</p> <p>13 BY MR. O'REAR:</p> <p>14 Q. Now, was your recommendation for TVA to</p> <p>15 accept or did you make a recommendation for TVA to</p> <p>16 accept this particular representation that is set forth</p> <p>17 in the contract --</p> <p>18 MR. LEMBKE: Miss Quirk --</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. Just a minute -- other than your</p> <p>21 recommendation to the CEO that the contract be accepted</p> <p>22 in general?</p> <p>23 MR. LEMBKE: Miss Quirk, again I instruct</p> <p>24 you to the extent that would require you to</p> <p>25 disclose an attorney/client communication, I</p>

<p style="text-align: right;">Page 42</p> <p>1 instruct you not to answer it.</p> <p>2 THE WITNESS: Could you state the</p> <p>3 question again?</p> <p>4 BY MR. O'REAR:</p> <p>5 Q. Did you make a recommendation that TVA</p> <p>6 accept this provision of the contract?</p> <p>7 MR. LEMBKE: Same instruction.</p> <p>8 THE WITNESS: As I said, I made a general</p> <p>9 recommendation.</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. To the CEO?</p> <p>12 A. Yes.</p> <p>13 Q. And he was the final decisionmaker?</p> <p>14 A. He signed it, yes.</p> <p>15 Q. Well, Aaron Nix signed it.</p> <p>16 A. Oh, that's duly noted.</p> <p>17 Q. Okay. But the final decisionmaker was</p> <p>18 the CEO, Bill Johnson?</p> <p>19 A. Yes.</p> <p>20 Q. And Mr. Nix could not sign the contract</p> <p>21 without Mr. Johnson's approval, is that correct?</p> <p>22 A. Correct.</p> <p>23 Q. Are you familiar with TVA's position in</p> <p>24 this lawsuit now?</p> <p>25 MR. LEMBKE: Miss Quirk, I instruct you</p>	<p style="text-align: right;">Page 44</p> <p>1 require you to disclose attorney/client</p> <p>2 communications or your work product, you shouldn't</p> <p>3 answer it.</p> <p>4 BY MR. O'REAR:</p> <p>5 Q. Are you aware of TVA's position in this</p> <p>6 case that the Nuclear Regulatory Commission must</p> <p>7 approve the transfer of the construction permits from</p> <p>8 TVA to Nuclear Development?</p> <p>9 A. I'm aware, yes.</p> <p>10 Q. Are you aware of TVA's position in this</p> <p>11 lawsuit that that approval should have occurred before</p> <p>12 the closing in order for the closing of the transaction</p> <p>13 to be legal under the Atomic Energy Act?</p> <p>14 A. Yes, I'm aware of that.</p> <p>15 Q. Now, based on TVA's current position in</p> <p>16 the lawsuit, is the representation and warranty made in</p> <p>17 section 7-A-7 false, if you assume TVA's position is</p> <p>18 correct in the lawsuit?</p> <p>19 MR. LEMBKE: Object to the form. To the</p> <p>20 extent that answer would require you to disclose</p> <p>21 attorney/client communications or work product,</p> <p>22 you shouldn't answer it, otherwise you can go</p> <p>23 ahead.</p> <p>24 THE WITNESS: I'm sorry. I'm going to</p> <p>25 have to ask you to repeat.</p>
<p style="text-align: right;">Page 43</p> <p>1 not to answer that question to the extent it would</p> <p>2 require you to disclose attorney/client</p> <p>3 communications or your work product.</p> <p>4 THE WITNESS: I am generally familiar.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. Okay. Have you read the answer that was</p> <p>7 filed by TVA in this case, the answer to the complaint?</p> <p>8 A. A while ago, yes.</p> <p>9 Q. Did you read TVA's motion to dismiss and</p> <p>10 it's brief submitted in support of that motion?</p> <p>11 A. A while ago, yes.</p> <p>12 Q. Are you familiar with the fact that</p> <p>13 currently TVA is taking the position in the lawsuit</p> <p>14 that the transfer of the construction permits would</p> <p>15 have been required before the closing in order to make</p> <p>16 the closing legal?</p> <p>17 A. Yes, I'm aware of that.</p> <p>18 Q. And the transfer of the construction</p> <p>19 permits would have required the approval of the</p> <p>20 National Regulatory Commission (sic), correct?</p> <p>21 MR. LEMBKE: Object to the form. Calls</p> <p>22 for a legal conclusion, and again I instruct you</p> <p>23 to the extent that it would require you --</p> <p>24 MR. O'REAR: Well --</p> <p>25 MR. LEMBKE: -- to the extent that would</p>	<p style="text-align: right;">Page 45</p> <p>1 BY MR. O'REAR:</p> <p>2 Q. Okay. All right. I want you to take into</p> <p>3 consideration the answers you've already given --</p> <p>4 A. Yes.</p> <p>5 Q. -- of your understanding of TVA's</p> <p>6 position in the lawsuit. Based on TVA's position in</p> <p>7 this lawsuit, is the representation made by TVA in</p> <p>8 section 7 A romanette 7 false?</p> <p>9 MR. LEMBKE: Same instruction.</p> <p>10 THE WITNESS: Reading it here today? It</p> <p>11 looks to me to be inaccurate.</p> <p>12 BY MR. O'REAR:</p> <p>13 Q. False?</p> <p>14 A. Inaccurate, I would say.</p> <p>15 Q. Incorrect?</p> <p>16 MR. LEMBKE: Asked and answered.</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. Do you contest the fact that the contract</p> <p>19 provides that that representation was made by TVA to</p> <p>20 induce Nuclear Development to enter into the contract?</p> <p>21 MR. LEMBKE: Objection, asked and</p> <p>22 answered. You can answer it again.</p> <p>23 THE WITNESS: It's in the contract and</p> <p>24 the language says what it says.</p> <p>25 BY MR. O'REAR:</p>



<p style="text-align: right;">Page 46</p> <p>1 Q. You earlier referred to your awareness 2 that there were at least two other prospective bidders 3 on the contract? 4 A. Yes. 5 Q. For the contract? 6 A. Yes. 7 Q. And one of them I believe you said was, 8 refresh me, NextEra? 9 A. Yes, or a subsidiary thereof. 10 Q. N-e-x-t one word, e-r-a one word? 11 A. Yes, capital E. 12 Q. And I mentioned a group called National 13 Environmental Group. Do you recall that to be the 14 other -- do you recall that to be the entity that 15 actually submitted a bid for the property? 16 A. Yeah, I know another entity submitted a 17 bid. I accept your representation that that was the 18 name of it. 19 Q. Did you have any contact with either of 20 those groups? 21 A. With NextEra or -- 22 Q. With either? 23 A. I was in a meeting with NextEra that was 24 similar to the meeting that we had with Nuclear 25 Development, bidder's meeting, but I had no contact</p>	<p style="text-align: right;">Page 48</p> <p>1 auction, would TVA have required that the construction 2 permits that it held at Bellefonte be transferred to 3 those entities before the closing? 4 MR. LEMBKE: First, I object to the form 5 in that it calls for speculation. Second of all, 6 I instruct you not to answer the question to the 7 extent it would require you to disclose attorney 8 work product. 9 You can answer if you can subject to that 10 instruction. 11 THE WITNESS: Can you repeat, please? 12 BY MR. O'REAR: 13 Q. Okay. You've got to shorten these 14 objections. 15 If you assume either of those two groups 16 would have been the winning bidder at the auction, 17 would TVA have required the transfer of the 18 construction permits from TVA to either of those groups 19 as the winning bidder approved by the NRC prior to the 20 closing? 21 MR. LEMBKE: Same objection, same 22 instruction. 23 THE WITNESS: I'm not sure what we would 24 have done in a contract with them. It would be a 25 different set of circumstances.</p>
<p style="text-align: right;">Page 47</p> <p>1 with the other group that I can recall. 2 Q. Are you familiar with a man by name of 3 Aaron Abadi with National Environmental Group? 4 A. I have seen his name. That's about all 5 that I know about him. 6 Q. You had no communication with him? 7 A. No. 8 Q. As far as you know? 9 A. No. 10 Q. Did either of those two groups express in 11 their intent to bid that they intended to construct and 12 operate a nuclear facility at Bellefonte? 13 A. Not as far as I'm aware. 14 Q. Do you know what they stated in their 15 letters of intent to bid about the purpose they were 16 going to use the property for? 17 A. I don't know what they stated in their 18 notice of intent to bid. I do know what NextEra 19 described in a meeting that they had with us. 20 Q. And what did they describe? 21 A. A combination of solar and battery cells. 22 Q. But not nuclear? 23 A. Not as -- no, no. 24 Q. If you assume that either of those two 25 companies would have been the winning bidder at the</p>	<p style="text-align: right;">Page 49</p> <p>1 BY MR. O'REAR: 2 Q. Can you say today that you would have 3 required that? 4 MR. LEMBKE: Same objection, same 5 instruction. Asked and answered. 6 THE WITNESS: I don't know what we would 7 have done. It would depend on the circumstances 8 today. 9 MR. O'REAR: 10 Q. Did the contract as executed require the 11 parties to cooperate with one another in order to 12 consummate the activities needed to complete the 13 purchase and sale of the transaction? 14 A. Can you point me to a provision? 15 Q. Yes. If you would look at section nine 16 of the contract, which is captioned on page nine, 17 covenants after the effective date and prior to 18 closing. 19 I direct your attention to subsection A 20 romanette ii or romanette 2. 21 A. I see that. Yes, it does appear to 22 provide for reasonable cooperation in obtaining 23 consents. May we take a break? 24 Q. You may. 25 A. Okay. Thank you.</p>

<p style="text-align: right;">Page 50</p> <p>1 MR. O'REAR: Off the record.</p> <p>2 THE VIDEOGRAPHER: Okay. Let me make a</p> <p>3 correction. I think I said we went on the record</p> <p>4 at 9:57 but we went on the record at 8:57.</p> <p>5 THE WITNESS: You did say 8:57.</p> <p>6 THE VIDEOGRAPHER: The time is 9:57.</p> <p>7 We're going off the record.</p> <p>8 (Recess taken.)</p> <p>9 THE VIDEOGRAPHER: Okay. 10:08. We're</p> <p>10 back on the record.</p> <p>11 BY MR. O'REAR:</p> <p>12 Q. Miss Quirk, you mentioned previously that</p> <p>13 you were involved in a meeting with one of the</p> <p>14 prospective bidders at the bid package meeting, is that</p> <p>15 correct?</p> <p>16 A. I assume that's what the meeting was</p> <p>17 called.</p> <p>18 Q. Did all of the prospective bidders</p> <p>19 receive the same contract to bid on?</p> <p>20 A. As far as I'm aware.</p> <p>21 Q. As far as you're aware, yes?</p> <p>22 A. As far as I'm aware, yes.</p> <p>23 Q. Okay. Thank you.</p> <p>24 Now, we talked about the cooperation</p> <p>25 clause that you identified in the contract. Let me</p>	<p style="text-align: right;">Page 52</p> <p>1 require you to disclose attorney/client</p> <p>2 communications.</p> <p>3 If you can answer it without reference to</p> <p>4 attorney/client communications, go ahead.</p> <p>5 THE WITNESS: I later became aware of it.</p> <p>6 BY MR. O'REAR:</p> <p>7 Q. And were you aware that TVA rejected this</p> <p>8 request from Mr. Blust?</p> <p>9 A. I was aware of that, yes.</p> <p>10 Q. And just to identify that exhibit, for</p> <p>11 the record, if you could look at Exhibit 8 which is an</p> <p>12 e-mail from Scott Vance to Mr. Blust and to Chris</p> <p>13 Chandler at TVA and Aaron Nix at TVA.</p> <p>14 In the text of that the first line says,</p> <p>15 "TVA will not send a subsequent extension letter as</p> <p>16 requested." Were you aware of this letter?</p> <p>17 A. I was generally aware that this was going</p> <p>18 on, yes.</p> <p>19 Q. Who made the decision to deny that</p> <p>20 request for extension submitted by Nuclear Development</p> <p>21 as set forth in Mr. Vance's e-mail?</p> <p>22 A. I'm not certain who would have made that</p> <p>23 decision.</p> <p>24 Q. Did you make it?</p> <p>25 A. I don't believe that I did. I was aware</p>
<p style="text-align: right;">Page 51</p> <p>1 direct your attention to Exhibit 7.</p> <p>2 (Exhibit 7 - Previously marked, Bates No.</p> <p>3 TVABLN000001520 through 1523, e-mail from Larry</p> <p>4 Blust dated August 18, 2017, to James Chardos.)</p> <p>5 THE WITNESS: Do I still need this</p> <p>6 exhibit?</p> <p>7 BY MR. O'REAR:</p> <p>8 Q. Just keep it before you. You can turn</p> <p>9 the page over. We may need to refer to it later, but</p> <p>10 just keep it there.</p> <p>11 Were you aware, directing your attention</p> <p>12 to Exhibit 7, that Mr. Blust sent an e-mail on</p> <p>13 August 18, 2017, to James Chardos of TVA with a</p> <p>14 proposed letter to be signed by TVA which is attached</p> <p>15 to the e-mail which, and I'll identify it, it is a</p> <p>16 draft letter to the NRC, National Regulatory -- Nuclear</p> <p>17 Regulatory Commission to extend the construction</p> <p>18 completion date for the construction permit on Unit 2</p> <p>19 of the Bellefont site.</p> <p>20 Were you familiar that there was such a</p> <p>21 request at that time?</p> <p>22 A. At that time, probably not.</p> <p>23 Q. Have you since been made aware of that?</p> <p>24 MR. LEMBKE: Miss Quirk, I instruct you</p> <p>25 not to answer that question to the extent it would</p>	<p style="text-align: right;">Page 53</p> <p>1 of it, but it was an action taken below my level.</p> <p>2 Q. Who within the realm of possibility, who</p> <p>3 could have made that decision below your level?</p> <p>4 A. It could have been Scott Vance. It could</p> <p>5 have been Nuclear Licensing. I'm not sure.</p> <p>6 Q. And Scott Vance is in the legal</p> <p>7 department, correct?</p> <p>8 A. No longer in the legal department.</p> <p>9 Q. Was he in the legal department in 2017</p> <p>10 when this e-mail was sent?</p> <p>11 A. Yes, he was.</p> <p>12 Q. And his title is stated there as being</p> <p>13 Associate General Counsel Nuclear, correct?</p> <p>14 A. That's correct, yes.</p> <p>15 Q. So when I earlier asked you who was in</p> <p>16 the nuclear department, was he in the nuclear</p> <p>17 department?</p> <p>18 A. At that time, yes.</p> <p>19 Q. Okay. I didn't -- all right. You didn't</p> <p>20 mention his name so that's the reason I'm asking now.</p> <p>21 A. I believe the time period you asked about</p> <p>22 didn't include the time when he was there, but I could</p> <p>23 be -- I could have been wrong so --</p> <p>24 Q. Okay.</p> <p>25 A. -- I'm open to being corrected.</p>



<p style="text-align: right;">Page 54</p> <p>1 Q. In any event, he was in the nuclear 2 department of the legal department, nuclear division in 3 the legal department in 2017? 4 A. Yes. 5 Q. And who would he have reported to in 2017 6 when this e-mail was written? 7 A. To me. 8 Q. Okay. Do you think you would have given 9 him approval to send this e-mail? 10 MR. LEMBKE: Objection, asked and 11 answered. 12 BY MR. O'REAR: 13 Q. Just your best recollection? 14 A. Yes. 15 Q. Are you familiar with a lawyer by the 16 name of Tim Matthews with the Morgan Lewis firm who was 17 acting as the counsel for Nuclear Development? 18 A. I don't know him, but I heard his name in 19 connection with this matter. 20 Q. Were you aware that in June of 2018 and 21 also October of 2018 he made a request to TVA to sign a 22 letter for the Nuclear Regulatory Commission expressing 23 TVA's consent to the transfer of the two construction 24 permits to Nuclear Development? 25 MR. LEMBKE: Object to the form. Lack of</p>	<p style="text-align: right;">Page 56</p> <p>1 whereby TVA would consent in a letter to the Nuclear 2 Regulatory Commission to the transfer of the two 3 construction permits? 4 MR. LEMBKE: Same objection. 5 THE WITNESS: What it looks like, I don't 6 see myself copied on this, but that is what this 7 appears to be. 8 BY MR. O'REAR: 9 Q. Well, were you aware that this was going 10 on at the time? 11 A. Chris may have mentioned it. 12 Q. And he reported to you, correct? 13 A. At this time I'm not sure that he did. 14 Q. In October of 2018? 15 A. I don't think he did at that time. 16 Q. Who did he report to at that time? 17 A. To Kimberly Bolton. 18 Q. And who is she? 19 A. At that time she was a Deputy General 20 Counsel. 21 Q. When did Chris Chandler begin reporting 22 to Kimberly Bolton? 23 A. My memory is about March of 2018. 24 Q. And did Kimberly Bolton report to you? 25 A. Yes.</p>
<p style="text-align: right;">Page 55</p> <p>1 foundation. 2 BY MR. O'REAR: 3 Q. You can answer. 4 A. I am aware that he and Chris Chandler had 5 discussions about a letter. 6 (Exhibit 14 - Previously marked - Bates No. 7 TVABLN00005105 through 5109, e-mail chain from 8 Chris Chandler to Tim Matthews.) 9 BY MR. O'REAR: 10 Q. I direct your attention to Exhibit 14. 11 If you could look that over and tell me if you can 12 identify that as an e-mail chain ultimately from Chris 13 Chandler to Tim Matthews copying Joseph Shea where 14 Chandler received a request from Matthews for TVA to 15 sign a letter to be submitted to the Nuclear Regulatory 16 Commission consenting to the sale of the Bellefonte 17 property and the transfer of the two construction 18 permits? 19 MR. LEMBKE: Object to the form. 20 Misstates the exhibit. Lack of foundation. 21 THE WITNESS: Can you restate, please? 22 BY MR. O'REAR: 23 Q. Can you identify Exhibit 14 as a series 24 of e-mails whereby Tim Matthews on behalf of Nuclear 25 Development submitted a letter to Chris Chandler of TVA</p>	<p style="text-align: right;">Page 57</p> <p>1 Q. As of March 2018? 2 A. Yes, she did. 3 Q. And she was head of the nuclear office of 4 the legal department? 5 A. She as deputy had several of the groups 6 under her. 7 Q. In any event, you were aware that this 8 request had been made at this time, is that correct? 9 A. Chris mentioned it to me, yes. 10 Q. And did TVA deny this request? 11 A. No. 12 Q. Did TVA respond to the request? 13 A. What I know is that Chris and Tim 14 Matthews talked about it, but I don't recall a request 15 being made. 16 Q. You don't consider Exhibit 14 a request 17 for TVA to sign a letter and the proposed letter is 18 attached? 19 A. What I was -- 20 MR. LEMBKE: Object to the form. Lack of 21 foundation. 22 BY MR. O'REAR: 23 Q. Go ahead. 24 A. I was told there was a conversation, that 25 this -- as a result of this Chris and Tim talked, but I</p>

15 (Pages 54 - 57)

<p style="text-align: right;">Page 58</p> <p>1 was not informed of a request in connection with that 2 conversation.</p> <p>3 Q. So were you ever aware that Nuclear 4 Development had requested TVA to consent to the 5 transfer of the construction permits before the closing 6 date?</p> <p>7 A. Was I ever aware? Well, I'm certainly 8 aware now.</p> <p>9 Q. Were you ever aware at any time prior to 10 November 30, 2018, that Nuclear Development had 11 requested TVA to consent as evidenced by a letter to 12 the National Regulatory Commission to the transfer of 13 the construction permits?</p> <p>14 MR. LEMBKE: Object to the form, vague. 15 Lack of foundation. Misstates the exhibit.</p> <p>16 BY MR. O'REAR:</p> <p>17 Q. Were you?</p> <p>18 MR. LEMBKE: Same objection.</p> <p>19 THE WITNESS: As I said, I knew there 20 were conversations, but I did not -- I was not 21 aware of a request, but I don't recall the details 22 of the conversation.</p> <p>23 BY MR. O'REAR:</p> <p>24 Q. Nevertheless, did TVA ever consent to the 25 transfer of the construction permits before the closing</p>	<p style="text-align: right;">Page 60</p> <p>1 page here, what you're saying is responsive to what I'm 2 asking.</p> <p>3 A. Yeah, and I'm not saying that we declined 4 to. You're asking whether we would have if we had been 5 asked and, you know, I think it's speculative and to 6 the extent that there were conversations about it, it 7 is privileged communication.</p> <p>8 Q. Were you aware that the National 9 Regulatory Commission held a public meeting --</p> <p>10 MR. LEMBKE: Nuclear.</p> <p>11 MR. O'REAR: I want a standing objection 12 to my own question that whenever I say national, 13 it's nuclear.</p> <p>14 BY MR. O'REAR:</p> <p>15 Q. -- Nuclear Regulatory Commission held a 16 public meeting on August 14, 2018, to discuss the issue 17 of transferring the construction permits at Bellefonte, 18 were you aware of that?</p> <p>19 A. I was informed of it, yes.</p> <p>20 Q. And then if you'd direct your attention 21 to Exhibit 10 that I'm going to hand you. I'd like to 22 ask you some questions about that.</p> <p>23 (Exhibit 10 - Previously marked -Bates No. 24 TVABLN00008330 through 8331, e-mail from Justin 25 Maierhofer dated August 14, 2018.)</p>
<p style="text-align: right;">Page 59</p> <p>1 date of November 30, 2018?</p> <p>2 A. Not as far as I'm aware.</p> <p>3 Q. Do you know of any reason why TVA would 4 not have consented to transfer the construction permits 5 before November 30, 2018?</p> <p>6 MR. LEMBKE: Object to the form, lack of 7 foundation. And, Miss Quirk, I instruct you to 8 the extent that would require you to reveal 9 attorney/client communications or attorney work 10 product, you should not answer it.</p> <p>11 THE WITNESS: I don't think I can answer 12 it.</p> <p>13 BY MR. O'REAR:</p> <p>14 Q. You can't answer it because you've been 15 instructed not to answer it or you don't know the 16 answer?</p> <p>17 A. I think the answer would provide 18 attorney/client privileged information.</p> <p>19 Q. That is to state the reason why TVA did 20 not consent to the transfer of the construction permits 21 would divulge attorney/client communications?</p> <p>22 MR. LEMBKE: Same objection, same 23 instruction.</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. I'm trying to make sure we're on the same</p>	<p style="text-align: right;">Page 61</p> <p>1 BY MR. O'REAR:</p> <p>2 Q. Do you recognize Exhibit 10 as an e-mail 3 you received from Justin Maierhofer of TVA on 4 August 14, 2018?</p> <p>5 A. I see that I'm copied on it, so I am 6 certain that at one point I looked at it.</p> <p>7 Q. And it's directed to you and to Bill 8 Johnson, correct?</p> <p>9 A. That's correct.</p> <p>10 Q. And also to John Thomas, correct?</p> <p>11 A. Yes.</p> <p>12 Q. And he's the CFO of TVA?</p> <p>13 A. That's correct.</p> <p>14 Q. And Van Wardlaw, who is he?</p> <p>15 A. He was the -- the sort of the head, the 16 -- I don't know if he was an executive vice president 17 or senior vice president for external relations.</p> <p>18 Q. Okay. This is a report that 19 Mr. Maierhofer forwarded from a Russ Bell with the 20 Nuclear Energy Institute of the same date, August 14, 21 2018, correct?</p> <p>22 A. That's correct.</p> <p>23 Q. And Mr. Bell is reporting on what 24 transpired at the Nuclear Regulatory Commission public 25 meeting on August 14, 2018, correct?</p>

<p style="text-align: right;">Page 62</p> <p>1 A. Correct.</p> <p>2 Q. And TVA had representatives attending</p> <p>3 that meeting, correct?</p> <p>4 MR. LEMBKE: Object to the form. Lack of</p> <p>5 foundation.</p> <p>6 BY MR. O'REAR:</p> <p>7 Q. Okay. Well, I'll show you the summary of</p> <p>8 that with the next exhibit.</p> <p>9 A. If you could show me something, I would</p> <p>10 appreciate it.</p> <p>11 Q. I will. Next exhibit. Let's talk about</p> <p>12 this exhibit.</p> <p>13 A. Okay.</p> <p>14 Q. So you said you're sure you would have</p> <p>15 read this.</p> <p>16 Did you see the statement made by Mr.</p> <p>17 Bell on the second page of the exhibit that "Nuclear</p> <p>18 Development will begin engineering and licensing work</p> <p>19 in parallel upon closure of the sale." Did you see</p> <p>20 that?</p> <p>21 A. I see that, yes.</p> <p>22 Q. And then two bullet points down from that</p> <p>23 it says "Bill said a more detailed licensing schedule</p> <p>24 will be available in early 2019."</p> <p>25 Do you see that?</p>	<p style="text-align: right;">Page 64</p> <p>1 question on advice of counsel?</p> <p>2 A. I will follow the advice of my counsel.</p> <p>3 Q. Did you ever have any concern prior to</p> <p>4 the November 30th closing date about the fact that the</p> <p>5 construction permits were not going to be transferred</p> <p>6 by the closing date?</p> <p>7 MR. LEMBKE: Miss Quirk, to the extent</p> <p>8 that would require you to reveal your attorney</p> <p>9 work product, I instruct you not to answer the</p> <p>10 question.</p> <p>11 THE WITNESS: Yes.</p> <p>12 BY MR. O'REAR:</p> <p>13 Q. And when did that concern first arise?</p> <p>14 A. I'm trying to answer without disclosing</p> <p>15 our internal communications on this, so give me a</p> <p>16 moment.</p> <p>17 My recollection is as -- as we were</p> <p>18 communicating with Nuclear Development ongoing forward</p> <p>19 with closing the transaction we started to articulate a</p> <p>20 concern about our legal ability to do that to Nuclear</p> <p>21 Development and asked Nuclear Development to help us</p> <p>22 and share with us their legal theories for why it could</p> <p>23 go forward.</p> <p>24 Q. My question was, when did you first have</p> <p>25 that concern?</p>
<p style="text-align: right;">Page 63</p> <p>1 A. Yes.</p> <p>2 Q. And that Bill is referring to Bill</p> <p>3 McCollum, a representative of Nuclear Development, do</p> <p>4 you know?</p> <p>5 A. I would assume so since he was</p> <p>6 representing Nuclear Development.</p> <p>7 Q. At the meeting?</p> <p>8 A. Yes.</p> <p>9 Q. And did this e-mail cause you any concern</p> <p>10 in terms of closing the transaction without having the</p> <p>11 construction permits transferred before the closing</p> <p>12 date?</p> <p>13 MR. LEMBKE: Miss Quirk, I instruct you</p> <p>14 not to answer because it would require you to</p> <p>15 reveal your attorney work product.</p> <p>16 MR. O'REAR: Whether she was concerned it</p> <p>17 revealed her work product?</p> <p>18 MR. LEMBKE: Yes.</p> <p>19 MR. O'REAR: Well, I didn't ask her what</p> <p>20 her state of mind was.</p> <p>21 MR. LEMBKE: Of course it is. For an</p> <p>22 attorney determining whether having read something</p> <p>23 whether she has that concern, that's work product.</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. Okay. Do you refuse to answer that</p>	<p style="text-align: right;">Page 65</p> <p>1 A. I'm not quite sure when that would have</p> <p>2 been, but if we were to bracket it in time it would be</p> <p>3 after the request for an extension was received and</p> <p>4 during the time that we were looking at the request and</p> <p>5 determining whether to grant it or to go to closing.</p> <p>6 Q. Well, do you recall that the request for</p> <p>7 extension was received on August the 29th, 2018?</p> <p>8 A. That sounds right.</p> <p>9 Q. So that's September, October, November,</p> <p>10 three months before the closing date. So when during</p> <p>11 that three-month period are you referring to?</p> <p>12 A. I don't know exactly. I can't recall</p> <p>13 exactly.</p> <p>14 Q. When your concern arose, you don't know?</p> <p>15 A. I don't know.</p> <p>16 (Exhibit 11 - Previously marked - Bates</p> <p>17 No.TVABKB00002045 through 2052, Memorandum from</p> <p>18 United States Nuclear Regulatory Commission to</p> <p>19 Jennifer Dixon-Herrity dated September 4, 2018.)</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. Let me show you what's been marked as</p> <p>22 Exhibit 11. Have you ever seen that document before</p> <p>23 today?</p> <p>24 A. I don't know that I have.</p> <p>25 Q. You don't recall it?</p>

<p style="text-align: right;">Page 66</p> <p>1 A. No, but let me just take a closer look at 2 it. I don't recognize it. 3 Q. Okay. Do you recognize that on the next 4 to last page of the exhibit that a copy was sent to Mr. 5 J. W. Shea at TVA? 6 MR. LEMBKE: Object to the form. Lack of 7 foundation. 8 BY MR. O'REAR: 9 Q. He's shown as having been sent a carbon 10 copy of this, correct? 11 MR. LEMBKE: Object to the form. Lack of 12 foundation. 13 THE WITNESS: I see his name there. 14 BY MR. O'REAR: 15 Q. Okay. Do you see on the last page, four 16 from the bottom that Scott Vance with TVA is shown on 17 an e-mail transmission of this document? 18 MR. LEMBKE: Object to the form. Lack of 19 foundation. 20 THE WITNESS: I see his name there. 21 BY MR. O'REAR: 22 Q. Does this refresh your recollection that 23 either Mr. Shea or Mr. Vance brought this document to 24 your attention? 25 A. I don't recall that.</p>	<p style="text-align: right;">Page 68</p> <p>1 bottom that TVA is designated by the names of five 2 representatives there? 3 A. I see. 4 MR. LEMBKE: Object to the form. Lack of 5 foundation. 6 BY MR. O'REAR: 7 Q. I asked you about Jim Chardos or you 8 mentioned -- I asked you about Jim Chardos but I don't 9 think we identified him. 10 Can you tell the court who Jim Chardos 11 is? 12 A. Jim Chardos is -- I recall was and is the 13 manager of the Bellefonte site. I don't know what his 14 official title is. 15 Q. And Ryan Dreke? 16 A. Dreke is an attorney in OGC, in the 17 nuclear section. 18 Q. He's the name we mentioned earlier, 19 correct? 20 A. That's correct. 21 Q. Erin Henderson? 22 A. Erin Henderson is in the Nuclear 23 Licensing Department. I don't know what her title 24 would have been at this time. 25 Q. The Nuclear Licensing Department of the</p>
<p style="text-align: right;">Page 67</p> <p>1 Q. And Mr. Vance reported to you at the 2 time, correct? 3 A. Yes. 4 Q. Whether or not you received this 5 document, were you made aware of the summary provided 6 by the Nuclear Regulatory Commission regarding the 7 August 14, 2018, meeting? 8 A. Yes, I was copied on that. 9 Q. No, I'm asking -- you're referring to 10 Exhibit 10? 11 A. Which one is that? 12 Q. The preceding one we discussed. 13 A. Yes, this one I was copied on, cc'd. 14 Q. My question was, were you also made aware 15 of the summary which is embodied in Exhibit 11 that was 16 submitted by the NRC? 17 A. I don't recall that. 18 Q. I would like to direct your attention to 19 the fourth page of Exhibit 11 and ask you about the 20 names that are reflected there for TVA as being 21 attendees at this meeting. 22 A. Fourth page? 23 Q. The fourth page is this page. 24 A. The fifth page? 25 Q. Fifth page. I'm sorry. You see at the</p>	<p style="text-align: right;">Page 69</p> <p>1 the legal department? 2 A. No, of the office of the -- like the 3 nuclear function under TVA. 4 Q. And who was head of that group? 5 A. Joe Shea. 6 Q. Joe Shea. And John Lockaby? 7 A. I'm not sure who John Lockaby is. 8 Q. Dan Stout? 9 A. Dan Stout, I don't know what his title 10 is. I think he's a nuclear corporate, but I had very 11 little to do with him. 12 Q. He's not a lawyer as far as you know? 13 A. Not as far as I know. 14 (Exhibit 12 - Previously marked - Bates No. 15 TVABLN00000352, Letter from Aaron Nix to Larry 16 Blust, dated August 21, 2018.) 17 BY MR. O'REAR: 18 Q. Directing your attention to Exhibit 12, 19 have you seen that letter from Mr. Aaron Nix to Larry 20 Blust dated August 21st 2018, before today? 21 A. Yes, I've seen it before today. 22 Q. And when did you first see it? 23 A. I think yesterday. 24 Q. Okay. So is it your testimony you did 25 not see this letter at the time or shortly after it was</p>

<p style="text-align: right;">Page 70</p> <p>1 written on August 21, 2018?</p> <p>2 A. I don't believe I did.</p> <p>3 Q. Were you aware that Mr. Nix had written a</p> <p>4 letter to Mr. Blust stating that TVA will begin</p> <p>5 drafting the transaction documents for the closing on</p> <p>6 November 14, 2018?</p> <p>7 A. That he had written the letter?</p> <p>8 Q. Yes.</p> <p>9 A. I was not aware that he had written the</p> <p>10 letter, no.</p> <p>11 Q. Did TVA at or about this time begin</p> <p>12 drafting the transaction documents for the closing?</p> <p>13 A. It's my understanding, yes, that that</p> <p>14 happened.</p> <p>15 Q. Okay. And when did that happen?</p> <p>16 A. I don't know precisely when, but I know</p> <p>17 at one point I inquired and was advised that the</p> <p>18 documents were in process.</p> <p>19 Q. Who was drafting the documents?</p> <p>20 A. I don't know precisely who. The person I</p> <p>21 inquired to was Cliff Beach.</p> <p>22 Q. Were the transaction documents ever sent</p> <p>23 to Nuclear Development?</p> <p>24 A. Not as far as I'm aware.</p> <p>25 Q. Why not?</p>	<p style="text-align: right;">Page 72</p> <p>1 A. I don't know whether I did or not.</p> <p>2 Q. Do you know if anyone at TVA responded to</p> <p>3 his request for the transaction documents?</p> <p>4 A. I don't know.</p> <p>5 Q. But you do know he made repeated</p> <p>6 requests, don't you?</p> <p>7 A. I know that he made requests. I don't</p> <p>8 know how many.</p> <p>9 Q. He made more than one, didn't he?</p> <p>10 A. He probably made more than one, yes.</p> <p>11 MR. LEMBKE: Let me see the exhibit</p> <p>12 number on that.</p> <p>13 THE WITNESS: 13.</p> <p>14 MR. LEMBKE: Thank you.</p> <p>15 (Exhibit 13 - Previously marked - Bates No.</p> <p>16 TVABLN00006238, Letter dated August 29, 2018 from</p> <p>17 Larry D. Blust.)</p> <p>18 BY MR. O'REAR:</p> <p>19 Q. Directing your attention to Exhibit 13,</p> <p>20 which is a letter that was sent by facsimile from Mr.</p> <p>21 Blust to TVA's Realty Services division and TVA's</p> <p>22 Office of General Counsel on August 29, 2018.</p> <p>23 Did you receive that letter when it was</p> <p>24 sent?</p> <p>25 A. I received it either then or shortly</p>
<p style="text-align: right;">Page 71</p> <p>1 MR. LEMBKE: Miss Quirk, to the extent</p> <p>2 that would require you to reveal attorney/client</p> <p>3 communications or work product, I instruct you not</p> <p>4 to answer the question.</p> <p>5 THE WITNESS: I don't think I can answer</p> <p>6 the question.</p> <p>7 BY MR. O'REAR:</p> <p>8 Q. Because of attorney/client communications</p> <p>9 and work product?</p> <p>10 A. That's correct, yes.</p> <p>11 Q. Well, somebody had to make a management</p> <p>12 decision not to send those documents, correct, to</p> <p>13 Nuclear Development?</p> <p>14 A. That's true, yes.</p> <p>15 Q. Who made that decision?</p> <p>16 A. I assume it was Cliff Beach. The -- I</p> <p>17 don't think I can go beyond that without discussing</p> <p>18 communications.</p> <p>19 Q. Were you personally aware that Larry</p> <p>20 Blust made repeated requests of TVA to submit the</p> <p>21 transaction documents that Mr. Nix said would be</p> <p>22 drafted by TVA?</p> <p>23 A. I'm aware he made requests, yes.</p> <p>24 Q. Did you ever respond to Mr. Blust's</p> <p>25 request for the transaction documents?</p>	<p style="text-align: right;">Page 73</p> <p>1 thereafter.</p> <p>2 Q. And in that letter did Nuclear</p> <p>3 Development request an extension of the closing date to</p> <p>4 May 14, 2019?</p> <p>5 A. That's correct, yes.</p> <p>6 Q. Did you anticipate litigation with</p> <p>7 Nuclear Development at this point in time?</p> <p>8 MR. LEMBKE: Object to the -- let me</p> <p>9 instruct you not to answer that question to the</p> <p>10 extent it would require you to disclose your</p> <p>11 attorney work product and attorney/client --</p> <p>12 and/or attorney/client communications.</p> <p>13 THE WITNESS: I assumed litigation was a</p> <p>14 possibility.</p> <p>15 BY MR. O'REAR:</p> <p>16 Q. What litigation then were you assuming</p> <p>17 was a possibility?</p> <p>18 MR. LEMBKE: Same instruction.</p> <p>19 THE WITNESS: I didn't know the forum.</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. Well, what conceivable litigation would</p> <p>22 there have been?</p> <p>23 MR. LEMBKE: Same instruction. Also</p> <p>24 object to the form. Calls for speculation.</p> <p>25 THE WITNESS: I don't know that I would</p>



<p style="text-align: right;">Page 74</p> <p>1 have or could have identified it at that point.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. Are you aware that TVA has made repeated</p> <p>4 privileged designations based on anticipation of</p> <p>5 litigation at this point in time?</p> <p>6 A. I am generally aware, yes.</p> <p>7 Q. Well, in order to determine whether those</p> <p>8 are appropriate objections, I need to know what</p> <p>9 anticipation.</p> <p>10 Who anticipated litigation and what</p> <p>11 litigation was anticipated? Can you answer that?</p> <p>12 MR. LEMBKE: Same instruction.</p> <p>13 THE WITNESS: Can you repeat the</p> <p>14 instruction?</p> <p>15 THE WITNESS: The instruction is to the</p> <p>16 extent that would require you to reveal</p> <p>17 attorney/client communication or attorney work</p> <p>18 product, you should not answer the question.</p> <p>19 THE WITNESS: I don't know if I can</p> <p>20 answer it without revealing attorney/client</p> <p>21 privileged communications.</p> <p>22 MR. O'REAR: Well, I mean this now is</p> <p>23 circular where you have objected on the basis of</p> <p>24 anticipation of litigation but no one will testify</p> <p>25 about anticipation of litigation because of the</p>	<p style="text-align: right;">Page 76</p> <p>1 MR. LEMBKE: You did not ask that</p> <p>2 question.</p> <p>3 MR. O'REAR: Well, I beg to differ, but</p> <p>4 the record will reveal that.</p> <p>5 MR. LEMBKE: But, you know, I would</p> <p>6 suggest that consistent with Judge Burke's</p> <p>7 protocol, the appropriate thing would be to advise</p> <p>8 us of a concern and let us know and we can confer</p> <p>9 in good faith, but the time to do so is not in the</p> <p>10 middle of a deposition on a surprise basis.</p> <p>11 MR. O'REAR: Well, it's not a surprise</p> <p>12 basis, but I'm trying to find out what litigation</p> <p>13 was anticipated at this point in time if TVA is</p> <p>14 going to make an objection based on privilege.</p> <p>15 MR. LEMBKE: There's no question. That's</p> <p>16 a statement, not a question.</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. So are you able to answer what litigation</p> <p>19 was anticipated at this time?</p> <p>20 MR. LEMBKE: Asked and answered, and I --</p> <p>21 other than what you've already testified to, I</p> <p>22 give the same instruction, that to the extent to</p> <p>23 go beyond that would require you to disclose</p> <p>24 attorney/client communications and work product,</p> <p>25 you should not disclose it.</p>
<p style="text-align: right;">Page 75</p> <p>1 privileged objection you made.</p> <p>2 MR. LEMBKE: Well, I don't know why</p> <p>3 you're making the assumption that no one would</p> <p>4 testify to that, but I will note that this is the</p> <p>5 first time you've raised with us any issue about</p> <p>6 that invocation of privilege or that objection</p> <p>7 that was made to a production, and so this is</p> <p>8 coming out of left field.</p> <p>9 Those privileged objections were provided</p> <p>10 to you, you know, several weeks ago and, you know,</p> <p>11 we stand on our instruction at this point.</p> <p>12 MR. O'REAR: Well, I'm trying to gain</p> <p>13 information that would allow me to test and</p> <p>14 challenge that objection. I asked Mr. Johnson</p> <p>15 about this very same thing in his deposition.</p> <p>16 MR. LEMBKE: You did not ask this very</p> <p>17 same thing.</p> <p>18 MR. O'REAR: I didn't reference the</p> <p>19 privilege log but I asked him about anticipation</p> <p>20 of litigation.</p> <p>21 MR. LEMBKE: You asked him about -- that</p> <p>22 question you asked Mr. Johnson was quite different</p> <p>23 from the question you're now asking him.</p> <p>24 MR. O'REAR: Well, I asked him if he</p> <p>25 anticipated litigation at this point in time.</p>	<p style="text-align: right;">Page 77</p> <p>1 BY MR. O'REAR:</p> <p>2 Q. Can you answer the question?</p> <p>3 MR. LEMBKE: Well, objection. She's</p> <p>4 already asked and answered it. Same objection.</p> <p>5 Asked and answered. Same instruction.</p> <p>6 BY MR. O'REAR:</p> <p>7 Q. Can you answer the question?</p> <p>8 MR. LEMBKE: Same objection, same</p> <p>9 instruction.</p> <p>10 THE WITNESS: I'm standing on my prior</p> <p>11 answer.</p> <p>12 BY MR. O'REAR:</p> <p>13 Q. Did TVA anticipate litigation with</p> <p>14 Nuclear Development over Bellefonte as early as of</p> <p>15 February of 2017?</p> <p>16 MR. LEMBKE: Same instruction.</p> <p>17 THE WITNESS: I don't know that I can</p> <p>18 answer that without revealing confidential</p> <p>19 communications.</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. Well, let me ask you this. It would be</p> <p>22 the only -- the only way you would be able to answer</p> <p>23 that question would be to reveal confidential</p> <p>24 communications?</p> <p>25 A. Yeah, and I'm not even sure what you're</p>

<p style="text-align: right;">Page 78</p> <p>1 referring to, so I don't -- this is -- I have no idea  2 what you're asking about or what information you're  3 trying to elicit.  4 Q. Okay. Well, I'm referring to an  5 objection made on a privilege log regarding  6 communications in February of 2017, which would be more  7 than a year and a half before the closing that are  8 based on anticipation of litigation at that time.  9 MR. LEMBKE: Which log entry are you  10 referring to?  11 MR. O'REAR: I can get it for you if  12 you'd like it. I can get it during the break.  13 Are you going to allow her to answer that  14 question?  15 MR. LEMBKE: I don't know that there's a  16 question. I don't know what the question is.  17 MR. O'REAR: I asked -- the question is,  18 was TVA anticipating litigation in February of  19 2017?  20 MR. LEMBKE: I think she's already  21 answered that. Objection, asked and answered.  22 Same instruction. You can go ahead if you have  23 anything else to add.  24 THE WITNESS: I don't think I have  25 anything else to add without more information.</p>	<p style="text-align: right;">Page 80</p> <p>1 discussion, Mr. Johnson?  2 A. He was discussing and we were discussing  3 the current status and our legal posture.  4 Q. And what was the purpose of the meeting?  5 A. My recollection is to talk about the  6 extension.  7 Q. The extension that we just identified,  8 which would have been to May 19, 2019?  9 A. That's correct.  10 Q. Excuse me. May 14, 2019?  11 MR. LEMBKE: Excuse me. That's right.  12 MR. O'REAR: May 14.  13 THE WITNESS: That's correct, yes.  14 BY MR. O'REAR:  15 Q. Was Mr. Johnson concerned at that point  16 in time about the presentation that had been made by  17 Nuclear Development to the city of Memphis just the day  18 before you made that call to Mr. Blust?  19 MR. LEMBKE: Miss Quirk, to the extent  20 that would require you to reveal attorney/client  21 communications, I instruct you not to answer the  22 question.  23 THE WITNESS: I think that Mr. Johnson  24 articulated in that meeting that he had some  25 concerns with -- with how information had been</p>
<p style="text-align: right;">Page 79</p> <p>1 BY MR. O'REAR:  2 Q. You had conversations with Mr. Blust  3 leading up and to the closing date of November 30,  4 2018, correct?  5 A. That's correct.  6 Q. Dho you recall calling Mr. Larry Blust on  7 October the 10, 2018, to request a meeting on  8 October 23, 2018, involving him, Mr. Franklin Haney,  9 yourself, and Mr. Bill Johnson?  10 A. I don't recall the exact dates, but I  11 think the timeframe sounds right.  12 Q. And what triggered your call to Mr. Blust  13 to request that meeting?  14 A. A request from Mr. Johnson.  15 Q. Okay. And what was the basis of the  16 request for the meeting?  17 A. He wanted to --  18 MR. LEMBKE: To the extent this is asking  19 you to disclose what Mr. Johnson told you about  20 why he wanted the meeting, I instruct you not to  21 answer that as attorney/client privilege.  22 THE WITNESS: He wanted to meet with him.  23 BY MR. O'REAR:  24 Q. Okay. He wasn't asking you for legal  25 advice in that communication was he, in that</p>	<p style="text-align: right;">Page 81</p> <p>1 presented.  2 BY MR. O'REAR:  3 Q. At the meeting that Nuclear Development  4 had with the city of Memphis the day before you made  5 the phone call?  6 A. And I don't recall if it's that meeting  7 or other information that he articulated a concern  8 about, but he articulated concern about Nuclear  9 Development's presentation to the city council of  10 information that he considered to be detrimental to  11 TVA.  12 Q. And was that the reason you asked for the  13 meeting on October 23rd --  14 MR. LEMBKE: Well --  15 BY MR. O'REAR:  16 Q. -- to discuss that?  17 MR. LEMBKE: To clarify, I think she was  18 talking about what was discussed at the meeting on  19 the 23rd just now.  20 BY MR. O'REAR:  21 Q. Okay.  22 A. Yes.  23 Q. But my question was when you were setting  24 up that meeting, that was the reason you set it up so  25 that that topic could be discussed?</p>



<p style="text-align: right;">Page 82</p> <p>1 MR. LEMBKE: Miss Quirk, again to the</p> <p>2 extent that this would require you to reveal</p> <p>3 attorney/client communications, don't answer it.</p> <p>4 To the extent you can reveal it without</p> <p>5 disclosing attorney/client communications, go</p> <p>6 ahead.</p> <p>7 THE WITNESS: I'm trying to respond to</p> <p>8 your question without revealing attorney/client</p> <p>9 communications, and that is my answer.</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. In your call to Mr. Blust on October the</p> <p>12 10th, 2018, did you tell him that TVA had already</p> <p>13 drafted a letter and an extension agreement agreeing to</p> <p>14 Nuclear Development's request for a six-month extension</p> <p>15 of closing?</p> <p>16 A. I don't recall.</p> <p>17 Q. Had TVA already drafted at that time a</p> <p>18 letter and an extension agreement agreeing to the</p> <p>19 request for the six-month extension?</p> <p>20 A. I don't recall.</p> <p>21 Q. You don't recall?</p> <p>22 A. I do not.</p> <p>23 Q. Did TVA ever draft a letter and extension</p> <p>24 agreement agreeing to the request for a six-month</p> <p>25 extension?</p>	<p style="text-align: right;">Page 84</p> <p>1 articulated.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. Are there any notes or records of your</p> <p>4 phone call with Larry Blust on October 10, 2018?</p> <p>5 A. I don't know.</p> <p>6 Q. Well, did you routinely keep notes of</p> <p>7 phone calls with Mr. Blust or representatives of</p> <p>8 Nuclear Development?</p> <p>9 A. Sometimes I did and sometimes I didn't.</p> <p>10 Q. Have you checked to see whether there is</p> <p>11 any?</p> <p>12 A. I have not.</p> <p>13 Q. Do you recall that you and Cliff Beach</p> <p>14 had a phone call with Mr. Blust on October the 22nd,</p> <p>15 2018, the day before the meeting involving Mr. Johnson</p> <p>16 and Mr. Haney, you, and Mr. Blust?</p> <p>17 A. I don't recall specifically, but I know</p> <p>18 we had several conversations with Mr. Blust.</p> <p>19 Q. Did you say to Mr. Blust in the phone</p> <p>20 call with him on October 22, 2018, or based on your</p> <p>21 recollection whenever these phone calls occurred, that</p> <p>22 Mr. Johnson was very unhappy with Nuclear Development's</p> <p>23 presentation to the city of Memphis?</p> <p>24 A. I don't recall one way or another.</p> <p>25 Q. Did you say to Mr. Blust in a phone call</p>
<p style="text-align: right;">Page 83</p> <p>1 A. I recall seeing a draft at one point.</p> <p>2 Q. That agreed to the six-month extension?</p> <p>3 A. That had conditions, including agreement</p> <p>4 to the extension.</p> <p>5 Q. What were the conditions?</p> <p>6 MR. LEMBKE: Now, I instruct you not to</p> <p>7 answer the question to the extent it would require</p> <p>8 you to reveal attorney work product.</p> <p>9 THE WITNESS: Yeah, I can't answer.</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. Was that drafted agreement ever presented</p> <p>12 to Nuclear Development?</p> <p>13 A. Not as far as I can remember.</p> <p>14 Q. And why not?</p> <p>15 MR. LEMBKE: Miss Quirk, to the extent</p> <p>16 that would require you to reveal attorney/client</p> <p>17 communications or work product, I instruct you not</p> <p>18 to answer it.</p> <p>19 To the extent you can answer without</p> <p>20 disclosing that, go ahead.</p> <p>21 THE WITNESS: I think as Mr. Johnson</p> <p>22 articulated and we articulated over time, we were</p> <p>23 trying to figure out what to do at this point, and</p> <p>24 didn't make a decision to grant or deny an</p> <p>25 extension until a later point in time as we</p>	<p style="text-align: right;">Page 85</p> <p>1 with him that involved Mr. Beach on October 22, 2018,</p> <p>2 that TVA management was meeting with the Board of</p> <p>3 Directors in committee meetings that week to discuss</p> <p>4 about Nuclear Development's presentation to the city of</p> <p>5 Memphis?</p> <p>6 A. I don't recall.</p> <p>7 Q. Do you ever recall advising Mr. Blust</p> <p>8 that TVA management was meeting with board members at</p> <p>9 committee meetings to discuss the city of Memphis and</p> <p>10 Nuclear Development's presentation?</p> <p>11 A. I don't recall.</p> <p>12 Q. Well, did those meetings with board</p> <p>13 members occur?</p> <p>14 A. Which meetings?</p> <p>15 Q. I'm referring to meetings that you</p> <p>16 referenced in a phone call on October 22, 2018, that</p> <p>17 would have occurred that week.</p> <p>18 MR. LEMBKE: Object to the form. Lack of</p> <p>19 foundation.</p> <p>20 MR. O'REAR: She asked me so I'm</p> <p>21 clarifying what my question is about.</p> <p>22 MR. LEMBKE: Same objection.</p> <p>23 THE WITNESS: It would be -- without</p> <p>24 being able to answer specifically, it would be</p> <p>25 normal for management to update the board on</p>

<p style="text-align: right;">Page 86</p> <p>1 various activities and this might be one.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. Were board committee meetings held either</p> <p>4 on October the 24th, 2018 or October 25, 2018?</p> <p>5 A. I don't recall. I would have to check my</p> <p>6 schedule.</p> <p>7 Q. Did you meet with -- well, strike that.</p> <p>8 Did you meet with board members at board</p> <p>9 committee meetings on either October 24, 2018 or</p> <p>10 October 25, 2018?</p> <p>11 A. As I said, I'm not sure about those</p> <p>12 dates. It is typical for us to have committee meetings</p> <p>13 a few weeks before the board meeting.</p> <p>14 Q. Okay. And would you typically attend</p> <p>15 those meetings?</p> <p>16 A. The board committee meetings?</p> <p>17 Q. Yes.</p> <p>18 A. I think we went over that.</p> <p>19 Q. Right. Right. And you said you would</p> <p>20 try but sometimes they were happening at the same time</p> <p>21 and you couldn't attend all, correct?</p> <p>22 A. That's right.</p> <p>23 Q. Do you recall what committee meetings, if</p> <p>24 any, you attended at this point in time?</p> <p>25 MR. LEMBKE: At this point in time being</p>	<p style="text-align: right;">Page 88</p> <p>1 members on that issue?</p> <p>2 MR. LEMBKE: Miss Quirk, to the extent</p> <p>3 that your discussion with the board members was in</p> <p>4 the nature of an attorney/client communication,</p> <p>5 you should not answer that question.</p> <p>6 To the extent it was not, you can.</p> <p>7 THE WITNESS: It was a briefing. I</p> <p>8 briefed them on the status, and there was no</p> <p>9 discussion that I recall.</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. And you said minutes are typically kept</p> <p>12 at these board meetings, correct?</p> <p>13 A. Committee meetings.</p> <p>14 Q. Committee meetings, excuse me.</p> <p>15 A. Yes.</p> <p>16 Q. So there would be minutes of these</p> <p>17 meetings, correct?</p> <p>18 A. Yes.</p> <p>19 Q. Now, moving to the next day which is the</p> <p>20 day of the meeting on October 23, 2018, between you,</p> <p>21 Bill Johnson, Franklin Haney and Larry Blust, was there</p> <p>22 anyone else present?</p> <p>23 A. Not that I recall.</p> <p>24 Q. And was that at TVA offices here in</p> <p>25 Knoxville?</p>
<p style="text-align: right;">Page 87</p> <p>1 what, late October?</p> <p>2 MR. O'REAR: Right.</p> <p>3 THE WITNESS: Well, it would be typical</p> <p>4 for me to attend the NOC, the audit committee, and</p> <p>5 external relations.</p> <p>6 BY MR. O'REAR;</p> <p>7 Q. NOC is what?</p> <p>8 A. Nuclear oversight.</p> <p>9 Q. Are you testifying today you have no</p> <p>10 recollection of any discussion of the issue of</p> <p>11 Bellefonte, Nuclear Development's presentation in</p> <p>12 Memphis with board members at any of those meetings at</p> <p>13 that time?</p> <p>14 A. I don't have a specific memory except for</p> <p>15 a brief update at the NOC.</p> <p>16 Q. Can you tell me about that?</p> <p>17 A. I don't recall lots of details other than</p> <p>18 the -- it was a brief update to the NOC on the fact</p> <p>19 that we were talking about the path forward with</p> <p>20 Bellefonte.</p> <p>21 Q. Was there a discussion of the request for</p> <p>22 an extension to May 2018 -- 2019?</p> <p>23 A. I'm sure there would have been reference</p> <p>24 to it.</p> <p>25 Q. And what were the positions of the board</p>	<p style="text-align: right;">Page 89</p> <p>1 A. I believe it was.</p> <p>2 Q. And what was discussed at that meeting?</p> <p>3 A. I think there was a conversation about</p> <p>4 the status of the transaction. I think that Mr.</p> <p>5 Johnson expressed displeasure at how issues had been</p> <p>6 presented in Memphis, and Mr. Haney said he was unaware</p> <p>7 that this was going on, did not authorize those</p> <p>8 presentations and was very apologetic for what had been</p> <p>9 said.</p> <p>10 Q. Was there anything else discussed?</p> <p>11 A. My memory is that Mr. Haney made an offer</p> <p>12 to sort of bring TVA into the transaction.</p> <p>13 Q. And was that subject followed up on by</p> <p>14 Mr. Blust the next day?</p> <p>15 A. Mr. Blust followed up with a set of</p> <p>16 bullet points.</p> <p>17 (Exhibit 15 - Bates No. TVABLN000006245, E-mail</p> <p>18 dated October 25, 2018.)</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. I direct your attention to Exhibit 15 and</p> <p>21 ask you if you can identify that as an e-mail, at least</p> <p>22 the second e-mail in a string from Mr. Blust to you of</p> <p>23 October 24, 2018, attaching the bullet points on a</p> <p>24 power sharing discussion?</p> <p>25 A. Yes.</p>

<p style="text-align: right;">Page 90</p> <p>1 Q. Was Mr. Johnson -- did Mr. Johnson say 2 anything about the request for the six-month extension 3 at this meeting on October 23rd? 4 A. I don't recall that. 5 Q. Was Mr. Johnson waiting to meet with the 6 city of Memphis himself before he made any decision on 7 that request? 8 MR. LEMBKE: Miss Quirk, to the extent 9 that that would require you to reveal 10 attorney/client communication, I instruct you not 11 to answer it. 12 To the extent you can answer without 13 revealing attorney/client communication, go ahead. 14 THE WITNESS: I don't recall anything 15 that Mr. Johnson would have said during that 16 meeting, if that's what you're asking about. 17 BY MR. O'REAR: 18 Q. You don't recall anything he said? 19 A. About? 20 Q. About the request for extension? 21 A. About -- I think your question was was he 22 waiting for the meeting with the city council before 23 making a decision on the request. 24 Q. Right. 25 A. I don't recall that being -- that being</p>	<p style="text-align: right;">Page 92</p> <p>1 MR. LEMBKE: Object. 2 BY MR. O'REAR: 3 Q. Do you recall a phone call involving the 4 four of you from TVA and Mr. Blust where he said that 5 -- that the Atomic Energy Act did not bar the 6 transaction from going forward on November 30, 2018? 7 A. This was a conversation with Mr. Blust 8 where he said that? 9 Q. Yes. 10 A. I recall him stating -- making that 11 argument, yes. I don't know whether it was that phone 12 call or another phone call. 13 Q. Do you recall in that phone call or 14 another phone call advising Mr. Blust that Mr. Johnson 15 was not inclined to grant the six-month extension 16 because of the presentation made by Nuclear Development 17 to the city of Memphis? 18 A. I don't recall that, but I do recall that 19 Mr. Johnson was upset with Nuclear Development because 20 of statements made negative to TVA that he felt were 21 untrue. 22 Q. But you don't recall making a statement 23 to Mr. Blust linking Mr. Johnson's disinclination to 24 extend the closing because of the comments made by 25 Nuclear Development at the Memphis meeting?</p>
<p style="text-align: right;">Page 91</p> <p>1 said at the meeting. I just don't recall. 2 Q. Well, was that what he was doing, whether 3 it was said at the meeting or not? 4 MR. LEMBKE: Same instruction, Miss 5 Quirk. 6 THE WITNESS: I can't answer that without 7 revealing discussion, confidential discussions. 8 BY MR. O'REAR: 9 Q. Do you recall a phone conversation with 10 Mr. Blust on November 15, 2018, that included Cliff 11 Beach, Chris Chandler, and Nick McCall where the four 12 of you called Mr. Blust? 13 A. I don't recall it specifically, but as I 14 said we had several conversations with him, with Mr. 15 Blust. 16 Q. Do you recall -- do you recall a phone 17 conversation where the four of you called him on his 18 cell phone in mid November of 2018? 19 A. I don't recall specifically, no. 20 Q. Do you recall a phone call at any time 21 where the four of you from TVA were on the phone with 22 Mr. Blust? 23 A. Without more context, I can't answer. 24 Q. I don't know how I can give you any more 25 context than the date and who was on the call.</p>	<p style="text-align: right;">Page 93</p> <p>1 A. I don't recall, no. 2 Q. Do you recall ever making that statement? 3 MR. LEMBKE: To Mr. Blust? 4 BY MR. O'REAR: 5 Q. Well, outside of your circle there and 6 outside of TVA, did you ever make that statement? 7 A. I don't recall. 8 Q. Do you recall in your discussion with Mr. 9 Blust about this topic that he said the simple way to 10 resolve it would be to grant the extension for six 11 months? 12 MR. LEMBKE: This topic being the 13 extension? 14 BY MR. O'REAR: 15 Q. This topic being whether the closing 16 could occur without the transfer of the construction 17 permits? 18 A. I recall him stating that in an e-mail. 19 Q. Okay. Do you know if you made any notes 20 or records of any phone conversations with Mr. Blust 21 during this mid November period? 22 A. I don't know. 23 Q. Do you recall a phone conversation with 24 Mr. Blust in mid November 2018 where you said that Mr. 25 Johnson had said that both sides should unwind this</p>

<p style="text-align: right;">Page 94</p> <p>1 transaction?</p> <p>2 A. I don't recall that.</p> <p>3 Q. Have you ever used that term unwind this</p> <p>4 transaction?</p> <p>5 MR. LEMBKE: Well, hold on.</p> <p>6 BY MR. O'REAR:</p> <p>7 Q. In the context of this -- the Nuclear</p> <p>8 Development TVA contract?</p> <p>9 MR. LEMBKE: Miss Quirk, to the extent</p> <p>10 that that would require you to reveal</p> <p>11 attorney/client communication you shouldn't</p> <p>12 answer.</p> <p>13 To the extent you can answer it without</p> <p>14 that, go ahead.</p> <p>15 THE WITNESS: I don't recall whether I</p> <p>16 said that in conversation with Mr. Blust.</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. You don't deny saying that then?</p> <p>19 A. I neither admit or deny. I simply don't</p> <p>20 recall.</p> <p>21 MR. LEMBKE: When we're at a good</p> <p>22 stopping point, we'd like to take a break.</p> <p>23 THE WITNESS: I can use a break.</p> <p>24 MR. O'REAR: All right. That's fine.</p> <p>25 THE VIDEOGRAPHER: The time is 11:10.</p>	<p style="text-align: right;">Page 96</p> <p>1 advice and prepared in anticipation of litigation</p> <p>2 regarding the closing of the sale of Bellefonte.</p> <p>3 MR. LEMBKE: All right. We'll check that</p> <p>4 at our next break.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. Okay. Miss Quirk, were you involved in</p> <p>7 any of the TVA meetings with the city of Memphis or</p> <p>8 Memphis Light, Gas and Water?</p> <p>9 A. No.</p> <p>10 Q. Were you aware that Mr. Johnson had a</p> <p>11 meeting with Memphis officials on November the 6, 2018?</p> <p>12 A. Generally, yes.</p> <p>13 Q. Okay. Would you get reports of meetings</p> <p>14 where Mr. Johnson and other TVA officials would meet</p> <p>15 with the city of Memphis or Memphis Gas, Light, and</p> <p>16 Water?</p> <p>17 MR. LEMBKE: Ever?</p> <p>18 BY MR. O'REAR:</p> <p>19 Q. In 2018?</p> <p>20 A. I would get general reports and</p> <p>21 impressions.</p> <p>22 Q. And in what form did those reports take?</p> <p>23 A. Oral.</p> <p>24 Q. And who would provide you with those?</p> <p>25 A. Either Mr. Johnson or someone else who</p>
<p style="text-align: right;">Page 95</p> <p>1 This marks the end of media number one. We're</p> <p>2 going off the record.</p> <p>3 (Recess taken.)</p> <p>4 THE VIDEOGRAPHER: At 11:22 this marks</p> <p>5 the beginning of media number two, and we're on</p> <p>6 the record.</p> <p>7 MR. LEMBKE: Before you start, did you</p> <p>8 have that log entry for us that you were going to</p> <p>9 get?</p> <p>10 MR. O'REAR: Just leave it on, I guess.</p> <p>11 The one in 2017?</p> <p>12 MR. LEMBKE: Yes.</p> <p>13 MR. O'REAR: What do you need?</p> <p>14 MR. LEMBKE: Well, just which log entry</p> <p>15 are you referring to? Does it say we invoke</p> <p>16 prepared in anticipation of litigation?</p> <p>17 MR. O'REAR: Privileged production</p> <p>18 beginning 748 and 748, Bates number 5575. Date</p> <p>19 February 13, 2017.</p> <p>20 MR. LEMBKE: What is the asserted</p> <p>21 privilege?</p> <p>22 MR. O'REAR: The asserted privilege is</p> <p>23 attorney/client privilege work product doctrine.</p> <p>24 E-mail communication transmitted among counsel and</p> <p>25 client personnel containing confidential legal</p>	<p style="text-align: right;">Page 97</p> <p>1 might have been present.</p> <p>2 Q. Do you know of anyone else present other</p> <p>3 than Mr. Johnson at any meetings with Memphis in 2018?</p> <p>4 A. I think from time to time that Justin</p> <p>5 Maierhofer might have been present. There might have</p> <p>6 been some times when John Thomas was present. I don't</p> <p>7 recall specifically.</p> <p>8 Q. Are you aware of any meetings with</p> <p>9 Memphis where Mr. Johnson met with Memphis officials in</p> <p>10 executive session?</p> <p>11 A. I don't. I'm not aware. I don't recall.</p> <p>12 Q. Did there come a point in time where TVA</p> <p>13 decided that it wanted to extend the closing date from</p> <p>14 November 14, 2018 to November 30, 2018?</p> <p>15 A. Yes.</p> <p>16 Q. And tell me about that.</p> <p>17 A. Well, I'll tell you what Bill Johnson</p> <p>18 articulated I think to Franklin Haney, which is that he</p> <p>19 felt as if he had sat on, I think those were his words,</p> <p>20 he had sort of deliberated over the extension request</p> <p>21 for too long and felt as if he owed it to Nuclear</p> <p>22 Development to give them a little bit more time as he</p> <p>23 -- as he reviewed our situation.</p> <p>24 Q. Was TVA -- decide to ask for that</p> <p>25 extension?</p>

25 (Pages 94 - 97)

<p style="text-align: right;">Page 98</p> <p>1 A. I believe that TVA offered it.</p> <p>2 Q. It was TVA's idea to extend the closing</p> <p>3 from November 14 to November 30?</p> <p>4 A. That's my recollection, yes.</p> <p>5 Q. Wasn't the real reason for the request to</p> <p>6 give TVA time to look at this issue illegality and</p> <p>7 whether the construction permits needed to be</p> <p>8 transferred before the closing?</p> <p>9 A. Real reason?</p> <p>10 Q. Yes, the real reason, not the reason you</p> <p>11 heard that Mr. Johnson stated to Mr. Haney.</p> <p>12 MR. LEMBKE: Well, Miss Quirk, to the</p> <p>13 extent this would require you to reveal</p> <p>14 attorney/client communications I'd instruct you</p> <p>15 not to answer it.</p> <p>16 But to the extent you can answer it</p> <p>17 without doing that, go ahead.</p> <p>18 THE WITNESS: I would say in our</p> <p>19 conversations with Mr. Blust during this time we</p> <p>20 were, as I recall, having conversations about the</p> <p>21 legality or lack of legality of going forward, and</p> <p>22 we were at that point not certain either way.</p> <p>23 We were actually searching for a way to</p> <p>24 go forward with the closing, and but we had not</p> <p>25 yet completed our work there. However, it is a</p>	<p style="text-align: right;">Page 100</p> <p>1 MR. LEMBKE: Same instruction.</p> <p>2 THE WITNESS: I don't know that I can</p> <p>3 answer that without revealing confidential</p> <p>4 information.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. When was Nuclear Development first</p> <p>7 advised by TVA that TVA was looking at that issue?</p> <p>8 A. I don't recall the exact date, but we</p> <p>9 raised it as soon as we felt it was a germane and</p> <p>10 pressing issue.</p> <p>11 Q. And when was that?</p> <p>12 A. I don't recall the exact date.</p> <p>13 MR. O'REAR: That's for the witness.</p> <p>14 MR. LEMBKE: Oh.</p> <p>15 (Exhibit 17 - Bates No. TVABLN000002643, Email</p> <p>16 from Clifford Beach dated November 9, 2018.)</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. I direct your attention to Exhibit 17.</p> <p>19 Are you familiar with that --</p> <p>20 A. Yes.</p> <p>21 Q. -- e-mail from Mr. Beach to Mr. Blust?</p> <p>22 A. Yes, I am.</p> <p>23 Q. And that's dated November 9, 2018,</p> <p>24 correct?</p> <p>25 A. That's correct.</p>
<p style="text-align: right;">Page 99</p> <p>1 fact that Mr. Johnson wanted more time to consider</p> <p>2 this issue.</p> <p>3 BY MR. O'REAR:</p> <p>4 Q. Who is the person at TVA who first</p> <p>5 questioned whether transferring Bellefonte prior to the</p> <p>6 transfer of the construction permits would be illegal?</p> <p>7 A. I believe that would be Chris Chandler.</p> <p>8 Q. And when did that happen?</p> <p>9 A. I'm not sure.</p> <p>10 Q. How was the question raised within TVA?</p> <p>11 MR. LEMBKE: Miss Quirk, to the extent</p> <p>12 this would require you to reveal attorney/client</p> <p>13 communications or work product, I instruct you not</p> <p>14 to answer it.</p> <p>15 If you can answer without doing that, go</p> <p>16 ahead.</p> <p>17 THE WITNESS: Without revealing</p> <p>18 confidential information, we started looking hard</p> <p>19 at it as we were looking at the question of going</p> <p>20 to closing on the closing date, the original one</p> <p>21 and as extended.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. Well, I asked you when. So would you</p> <p>24 start looking hard at it before the 16-day extension</p> <p>25 was entered into or after that?</p>	<p style="text-align: right;">Page 101</p> <p>1 Q. And you were copied on that along with</p> <p>2 Chris Chandler?</p> <p>3 A. Correct.</p> <p>4 Q. And it attaches Mr. Beach's bullet points</p> <p>5 which are captioned NRC License Transfer Requirements,</p> <p>6 right?</p> <p>7 A. Yes.</p> <p>8 Q. Now, was this the first time TVA had sent</p> <p>9 anything in writing to Nuclear Development about an</p> <p>10 issue regarding the transfer of the construction</p> <p>11 permits?</p> <p>12 A. I believe that's correct. Chris Chandler</p> <p>13 would or Cliff Beach would have a better -- better</p> <p>14 sense of that.</p> <p>15 Q. Who engaged the Pillsbury firm to look at</p> <p>16 this question?</p> <p>17 A. Well, it is my authority and decision to</p> <p>18 engage any -- any law firm for TVA. So it would</p> <p>19 ultimately have been my decision, but I believe that</p> <p>20 Chris Chandler spoke with them about the engagement.</p> <p>21 Q. And the engagement letter's addressed to</p> <p>22 him, correct?</p> <p>23 A. To?</p> <p>24 Q. Chris Chandler. Not engagement. The</p> <p>25 opinion letter is addressed to him, correct?</p>

26 (Pages 98 - 101)



<p style="text-align: right;">Page 102</p> <p>1 A. I think that's correct, yes.</p> <p>2 Q. And when was the Pillsbury firm engaged</p> <p>3 to look at this question?</p> <p>4 A. I don't know exactly when. I don't have</p> <p>5 a recollection of that.</p> <p>6 Q. Well, can you put it in context of the</p> <p>7 closing date on November 30, 2018?</p> <p>8 A. Well, certainly before the closing date.</p> <p>9 Q. Right, but how much before?</p> <p>10 A. I don't know exactly how much before.</p> <p>11 Q. Was it before or after the amendment to</p> <p>12 the contract extending the closing from November 14 to</p> <p>13 November 30?</p> <p>14 A. I don't know the answer to that.</p> <p>15 Q. Was the Pillsbury firm already on</p> <p>16 retainer with TVA at that point in time or was this a</p> <p>17 brand new engagement with them?</p> <p>18 A. They have worked with us over quite a</p> <p>19 period of time, certainly since I've been with TVA.</p> <p>20 Q. And is there an engagement letter with</p> <p>21 the Pillsbury firm that would identify the date that</p> <p>22 they were engaged?</p> <p>23 A. I don't know the answer to that question.</p> <p>24 You mean on this?</p> <p>25 Q. Yes.</p>	<p style="text-align: right;">Page 104</p> <p>1 Matthews, Mr. Haney, Sr., Frank Haney, Bill McCollum</p> <p>2 dated November 13/20/18? That's the top e-mail.</p> <p>3 A. Yes.</p> <p>4 Q. And did you receive that?</p> <p>5 A. Yes.</p> <p>6 Q. And the next e-mail beneath that is an</p> <p>7 e-mail from you of the same date to that same group,</p> <p>8 correct?</p> <p>9 A. That's correct.</p> <p>10 Q. And your e-mail says, "Larry, we are with</p> <p>11 the board today and tomorrow and will back in touch on</p> <p>12 Thursday. Sherry." Correct?</p> <p>13 A. Correct.</p> <p>14 Q. So you were with the board on</p> <p>15 November 13, 2018, and the next day November 2014 --</p> <p>16 November 14, 2018, correct?</p> <p>17 A. Yes, that's what it looks like.</p> <p>18 Q. Was there ever a discussion with the</p> <p>19 board at a board member -- at a board meeting at this</p> <p>20 time regarding the transfer of the construction permit</p> <p>21 issue for Bellefonte?</p> <p>22 MR. LEMBKE: Object to the form, vague.</p> <p>23 And, Miss Quirk, to the extent any discussion with</p> <p>24 the board would have been in a nonpublic session</p> <p>25 and would have involved attorney/client</p>
<p style="text-align: right;">Page 103</p> <p>1 A. On this topic --</p> <p>2 Q. Yes.</p> <p>3 A. -- or generally?</p> <p>4 Q. No, no, on this topic.</p> <p>5 A. I don't know the answer to that question.</p> <p>6 Q. And were you the one that made the</p> <p>7 decision to engage them on this question?</p> <p>8 A. Yes.</p> <p>9 Q. Did the board of directors approve the</p> <p>10 engagement of the Pillsbury firm to look at this</p> <p>11 question?</p> <p>12 A. No.</p> <p>13 Q. Was the board of directors notified of</p> <p>14 the engagement?</p> <p>15 A. No.</p> <p>16 Q. Do you recall if there was a Board of</p> <p>17 Directors meeting on November 14, 2018?</p> <p>18 A. I don't recall specifically, but I know</p> <p>19 that we have a November board meeting each year.</p> <p>20 (Exhibit 26 - Bates No. TVABLN00000038, e-mail</p> <p>21 from Larry Blust dated November 30, 2018.)</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. I've handed you what's been marked as</p> <p>24 Exhibit 26. Can you identify that as an e-mail from</p> <p>25 Mr. Blust to you and Mr. Beach and Mr. Chandler to Mr.</p>	<p style="text-align: right;">Page 105</p> <p>1 communications, you should not answer it.</p> <p>2 To the extent you can answer subject to</p> <p>3 that instruction, go ahead.</p> <p>4 THE WITNESS: If there was discussion</p> <p>5 during a board meeting that would be publicly</p> <p>6 available. Board meetings are taped and</p> <p>7 available.</p> <p>8 I don't recall whether there was public</p> <p>9 discussion. And as to other board meetings, those</p> <p>10 would be privileged communications.</p> <p>11 BY MR. O'REAR:</p> <p>12 Q. What do you mean privileged</p> <p>13 communications?</p> <p>14 A. With the board.</p> <p>15 Q. Any communications with the board would</p> <p>16 be privileged?</p> <p>17 A. On this topic, yes.</p> <p>18 Q. By whom? Communications with the board</p> <p>19 by whom?</p> <p>20 A. By me.</p> <p>21 Q. By you?</p> <p>22 A. Yes.</p> <p>23 Q. So any communications you would have had</p> <p>24 with the board would have been solely with respect to</p> <p>25 the giving of legal advice, is that correct?</p>

<p style="text-align: right;">Page 106</p> <p>1 MR. LEMBKE: You mean on this particular</p> <p>2 topic?</p> <p>3 MR. O'REAR: Yes.</p> <p>4 THE WITNESS: Yes.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. All right. Was there any discussion with</p> <p>7 the board about consideration of not closing the sale</p> <p>8 on November 30, 2018?</p> <p>9 MR. LEMBKE: Same instruction.</p> <p>10 THE WITNESS: I don't -- I don't recall</p> <p>11 and if I could recall, I couldn't answer.</p> <p>12 BY MR. O'REAR:</p> <p>13 Q. And why is that?</p> <p>14 A. Because it would be privileged.</p> <p>15 Q. Well, if Mr. Johnson discussed it with</p> <p>16 the board, would that be privileged?</p> <p>17 MR. LEMBKE: Well, let me object as to</p> <p>18 the vagueness of that question because it would</p> <p>19 depend on whether Mr. Johnson was conveying legal</p> <p>20 advice he received from TVA's lawyers.</p> <p>21 BY MR. O'REAR:</p> <p>22 Q. Do you know whether Mr. Johnson ever</p> <p>23 discussed that with the board?</p> <p>24 MR. LEMBKE: Discussed what?</p> <p>25 BY MR. O'REAR:</p>	<p style="text-align: right;">Page 108</p> <p>1 talk to about that issue?</p> <p>2 A. I don't know for certain but I would</p> <p>3 assume that he made -- made certain that this was --</p> <p>4 this would not be a surprise to board members, whatever</p> <p>5 he was thinking of.</p> <p>6 BY MR. O'REAR:</p> <p>7 Q. Well, do you know who he talked to?</p> <p>8 A. I don't know for certain, no.</p> <p>9 Q. Okay. And do you know for certain</p> <p>10 whether he had those discussions at all?</p> <p>11 A. I was not there. I can't say not having</p> <p>12 been there what might have happened when or how, but --</p> <p>13 but my recollection is that he said that he had talked</p> <p>14 with some board members.</p> <p>15 Q. And you don't know which board members?</p> <p>16 A. I don't know, you know, specifically.</p> <p>17 Q. Do you know when he spoke with these</p> <p>18 board members about this topic?</p> <p>19 A. I would assume it would have been at a</p> <p>20 point when he was making a decision.</p> <p>21 Q. And was anything ever mentioned about the</p> <p>22 extension request from Nuclear Development or the issue</p> <p>23 of not closing because of the construction permit issue</p> <p>24 at an official board meeting?</p> <p>25 A. Not that I recall, but again that would</p>
<p style="text-align: right;">Page 107</p> <p>1 Q. The consideration of not closing the sale</p> <p>2 on November 30, 2018?</p> <p>3 A. I think it would be -- I'm not sure</p> <p>4 specifically, but I think it is the kind of thing that</p> <p>5 he would discuss with board members.</p> <p>6 Recall that we operate under the Sunshine</p> <p>7 Act, and board meetings need to be duly noticed. So</p> <p>8 we're very careful about how all of us meet and confer</p> <p>9 with the board.</p> <p>10 Q. So you never want to talk to board</p> <p>11 members where a quorum would be constituted, correct?</p> <p>12 A. We have to be careful how we do that.</p> <p>13 Q. Okay. So going back to my question, do</p> <p>14 you know whether Mr. Johnson discussed with any board</p> <p>15 members the consideration of not closing the sale on</p> <p>16 November 30, 2018?</p> <p>17 MR. LEMBKE: That's yes or no.</p> <p>18 THE WITNESS: Yes.</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. All right. But you're not going to</p> <p>21 answer who he talked to, when it happened, what was</p> <p>22 said, is that right?</p> <p>23 MR. LEMBKE: You didn't ask that.</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. Okay. Who did he talk to? Who did he</p>	<p style="text-align: right;">Page 109</p> <p>1 be a matter of public record.</p> <p>2 (Exhibit 27 - Previously marked - Minutes of</p> <p>3 Meeting of The Board of Directors Tennessee</p> <p>4 Valley Authority, November 14, 2018.)</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. All right. Let me show you what's been</p> <p>7 marked as Exhibit 27, and ask you if you can identify</p> <p>8 that as minutes of the meeting of the Board of</p> <p>9 Directors of the TVA on November 14, 2018?</p> <p>10 A. This appears to be the minutes of the</p> <p>11 meeting.</p> <p>12 Q. And you approved that by your signature</p> <p>13 on the first page, correct?</p> <p>14 A. That's correct.</p> <p>15 Q. Approved the minutes, right?</p> <p>16 A. Yes.</p> <p>17 Q. Would you look through there and see if</p> <p>18 there's any reference at all in these minutes to any</p> <p>19 discussion of Bellefonte transfer of the construction</p> <p>20 permits, the request for the extension --</p> <p>21 MR. LEMBKE: You gave me two.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. -- or the question of whether you should</p> <p>24 close on November 30, 2018?</p> <p>25 MR. LEMBKE: For the record, this is 18</p>



<p style="text-align: right;">Page 110</p> <p>1 pages. So since he's asked you to read every word</p> <p>2 on 18 pages take your time, Miss Quirk.</p> <p>3 MR. O'REAR: I haven't asked her to read</p> <p>4 every word, but she can if she wants to.</p> <p>5 MR. LEMBKE: Well, you certainly have</p> <p>6 asked her if in 18 pages of print whether there's</p> <p>7 any reference to it anywhere in here so --</p> <p>8 MR. O'REAR: Well, she can state from her</p> <p>9 recollection, that's fine. But you're welcome to</p> <p>10 review it.</p> <p>11 THE WITNESS: I quickly reviewed this and</p> <p>12 what was the question again?</p> <p>13 BY MR. O'REAR:</p> <p>14 Q. Is there any reference in those minutes</p> <p>15 to Bellefonte, the transfer of the construction permits</p> <p>16 at Bellefonte, the Nuclear Development request for</p> <p>17 extension to May of 2019 to close the sale of</p> <p>18 Bellefonte or the consideration of not closing the sale</p> <p>19 to Bellefonte on November 30, excuse me, the sale of</p> <p>20 Bellefonte on November 30, 2018?</p> <p>21 A. I've read it quickly. I do see reference</p> <p>22 to Bellefonte.</p> <p>23 Q. What does it say?</p> <p>24 A. It's a reference to accelerating the</p> <p>25 amortization of the Bellefonte regulatory asset.</p>	<p style="text-align: right;">Page 112</p> <p>1 A. No, it didn't need to be.</p> <p>2 Q. But it was not, was it?</p> <p>3 A. It was not --</p> <p>4 MR. LEMBKE: Asked and answered.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. And Mr. Johnson made that decision</p> <p>7 himself, correct?</p> <p>8 A. I can't answer that.</p> <p>9 Q. You don't know?</p> <p>10 A. Well, chances are he and I would have</p> <p>11 discussed it.</p> <p>12 Q. He made the ultimate decision?</p> <p>13 A. But ultimately, yes.</p> <p>14 Q. So by making that decision, he decided</p> <p>15 that TVA would not be receiving over a 100 million</p> <p>16 dollars -- 90 millions dollars due on November 30,</p> <p>17 and he did not take that to an official board meeting</p> <p>18 for approval, did he?</p> <p>19 A. He didn't. He didn't have to.</p> <p>20 Q. When did you receive the Pillsbury</p> <p>21 opinion letter?</p> <p>22 A. I think I received it on the date that</p> <p>23 shows on the letter itself. I believe that was the</p> <p>24 28th, if I'm not mistaken. November 28th.</p> <p>25 (Exhibit 22 - Bates No. TVABLN000008648, letter</p>
<p style="text-align: right;">Page 111</p> <p>1 That's the only reference I've seen, but I've raced</p> <p>2 through this at top speed.</p> <p>3 Q. And that's a tax issue for TVA unrelated</p> <p>4 to the --</p> <p>5 A. It's an accounting issue.</p> <p>6 Q. Accounting issue?</p> <p>7 A. Yeah, we're not taxable.</p> <p>8 Q. Okay. Unrelated to the Nuclear</p> <p>9 Development transaction?</p> <p>10 A. Yes, but based on a very, very quick</p> <p>11 read.</p> <p>12 Q. All right. So there was pending a</p> <p>13 closing of the sale of Bellefonte for \$111 million as</p> <p>14 to which over \$90 million was going to be paid on</p> <p>15 November 30, 2018, correct?</p> <p>16 A. I'm sorry. Can you say that again?</p> <p>17 Q. It was pending at this time a closing</p> <p>18 schedule on November 30, 2018, whereby Nuclear</p> <p>19 Development would pay TVA over \$90 million as the</p> <p>20 remaining balance due on the sale of Bellefonte,</p> <p>21 correct?</p> <p>22 A. I believe that's correct, yes.</p> <p>23 Q. Okay. And the decision to not close that</p> <p>24 transaction was never taken to the board of directors</p> <p>25 at an official board meeting, was it?</p>	<p style="text-align: right;">Page 113</p> <p>1 from Pillsbury.)</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. Does the letter have a date on it? I</p> <p>4 direct your attention to Exhibit 22.</p> <p>5 A. I don't see a date. My recollection is I</p> <p>6 got it on the 28th, but I'm not -- that's my</p> <p>7 recollection.</p> <p>8 Q. November 28, 2018?</p> <p>9 A. Yes.</p> <p>10 Q. Two days before closing?</p> <p>11 A. Yes.</p> <p>12 Q. Did someone instruct that the letter not</p> <p>13 be dated?</p> <p>14 A. Not as far as I know.</p> <p>15 Q. Do you know why it was not dated?</p> <p>16 A. No.</p> <p>17 Q. Did you review the authority cited in the</p> <p>18 letter?</p> <p>19 A. Yes, I did.</p> <p>20 MR. O'REAR: If you all want to take a</p> <p>21 break now we can --</p> <p>22 MR. LEMBKE: Okay.</p> <p>23 MR. O'REAR: -- or we can go a little</p> <p>24 longer.</p> <p>25 MR. LEMBKE: This is good.</p>

<p style="text-align: right;">Page 114</p> <p>1 THE VIDEOGRAPHER: The time is 11:23 and</p> <p>2 we're going off the record.</p> <p>3 (Recess taken.)</p> <p>4 THE VIDEOGRAPHER: At 12:47 we're back on</p> <p>5 the record.</p> <p>6 MR. LEMBKE: Let me, before you start, as</p> <p>7 I indicated to Mr. O'Rear off the record over the</p> <p>8 lunch break we were able to check the privilege</p> <p>9 log entry that had been identified by him on the</p> <p>10 record, and we discovered there was an error on</p> <p>11 the log and it is a straight attorney/client</p> <p>12 privilege objection.</p> <p>13 It should not have said prepared in</p> <p>14 anticipation of litigation. So we will provide an</p> <p>15 amended log making that correction.</p> <p>16 MR. O'REAR: You're referring to the</p> <p>17 February 2017 entry?</p> <p>18 MR. LEMBKE: Correct.</p> <p>19 BY MR. O'REAR:</p> <p>20 Q. Okay. You ready?</p> <p>21 A. Yes.</p> <p>22 Q. What gave Bill Johnson as CEO the</p> <p>23 authority to make the decision not to close a</p> <p>24 111 million dollar transaction with Nuclear Development</p> <p>25 without the board approval?</p>	<p style="text-align: right;">Page 116</p> <p>1 A. "Be It Resolved, That the Board of</p> <p>2 Directors hereby finds and declares that the BLN plant</p> <p>3 site, except for the area upon which the training</p> <p>4 center is located if it cannot be relocated, is not</p> <p>5 necessary to carry out any plans and projects actually</p> <p>6 decided upon and is otherwise surplus to TVA's needs,</p> <p>7 and hereby authorizes and directs the Senior Manager of</p> <p>8 Realty Services, GIS, and Land Records, upon a</p> <p>9 determination by the Chief Executive Officer that</p> <p>10 market conditions warrant selling the fee simple</p> <p>11 interest in all or a portion of the plant site at</p> <p>12 public auction pursuant to Section 31 of the TVA Act of</p> <p>13 1933, as amended, to execute and deliver to the</p> <p>14 successful bidder, upon payment of the auction bid</p> <p>15 price and associated administrative costs, a special</p> <p>16 warranty deed in such form as the General Counsel shall</p> <p>17 approve, subject to such terms and conditions as may be</p> <p>18 necessary to cover and protect TVA's statutory</p> <p>19 obligations, program requirements, and other</p> <p>20 interests."</p> <p>21 Q. Okay. You're saying that's what gave him</p> <p>22 the authority not to close this transaction?</p> <p>23 A. Yes, I am.</p> <p>24 Q. And what language are you referring to?</p> <p>25 MR. LEMBKE: Object to the form. Calls</p>
<p style="text-align: right;">Page 115</p> <p>1 A. You're asking for my legal opinion?</p> <p>2 Q. Just, yeah, what's your basis for</p> <p>3 testifying earlier that he didn't have to have board</p> <p>4 approval? What is the basis for that?</p> <p>5 MR. LEMBKE: I'm going to object to the</p> <p>6 extent it calls for a legal conclusion. You can</p> <p>7 answer, if you can.</p> <p>8 THE WITNESS: I will simply say it's in</p> <p>9 the resolution in which the board authorized the</p> <p>10 auction of this site.</p> <p>11 BY MR. O'REAR:</p> <p>12 Q. And are you referring to the resolution</p> <p>13 which has been marked as Exhibit 4?</p> <p>14 A. Yes.</p> <p>15 (Exhibit 4 Bates No. TVABLN00002633 through 2634,</p> <p>16 Proposed Board Resolution.)</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. Okay. Can you get Exhibit 4 before you.</p> <p>19 Can you direct me where in this resolution it provides</p> <p>20 Mr. Johnson with the authority to make the decision not</p> <p>21 to close the 111 million dollar transaction without</p> <p>22 board approval?</p> <p>23 A. In the first resolved clause.</p> <p>24 Q. Okay. Would you read what you're</p> <p>25 referring to?</p>	<p style="text-align: right;">Page 117</p> <p>1 for a legal conclusion.</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. What language are you referring to?</p> <p>4 MR. LEMBKE: And to the extent this calls</p> <p>5 for her to disclose her attorney work product</p> <p>6 and/or privileged communication, I instruct you</p> <p>7 not to answer it. But if you can answer it</p> <p>8 without doing that, go ahead.</p> <p>9 THE WITNESS: I don't think that I can.</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. You can't answer the question --</p> <p>12 A. I cannot.</p> <p>13 Q. -- what language in here gives him that</p> <p>14 authority?</p> <p>15 A. Yes.</p> <p>16 Q. And putting aside attorney/client</p> <p>17 communications for the moment, what type of work</p> <p>18 product is involved in your answering that question?</p> <p>19 MR. LEMBKE: Well, my instruction was if</p> <p>20 it would require disclosure of attorney/client</p> <p>21 communications or work product not to answer it.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. I'm not asking you for any</p> <p>24 attorney/client communications. I'm not asking you for</p> <p>25 any attorney work product.</p>

<p style="text-align: right;">Page 118</p> <p>1 I'm asking you what language are you</p> <p>2 referring to which you believe authorizes Mr. Johnson</p> <p>3 to make that decision without board approval?</p> <p>4 MR. LEMBKE: Same instruction.</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. You said the resolution which is</p> <p>7 Exhibit 4, and I'm asking you what language in the</p> <p>8 resolution?</p> <p>9 A. And I have pointed --</p> <p>10 MR. LEMBKE: Same instruction, same</p> <p>11 objection.</p> <p>12 THE WITNESS: I told you this resolve</p> <p>13 clause and I'm -- that is as far as I'm</p> <p>14 comfortable going.</p> <p>15 BY MR. O'REAR:</p> <p>16 Q. Is there any language in this resolution</p> <p>17 which authorizes the CEO not to close the transaction</p> <p>18 under specific conditions?</p> <p>19 MR. LEMBKE: Objection, vague.</p> <p>20 BY MR. O'REAR:</p> <p>21 Q. Well, if you'll look with me to the next</p> <p>22 paragraph, resolve further paragraph.</p> <p>23 Does that paragraph authorize the CEO to</p> <p>24 terminate the transfer process under certain</p> <p>25 conditions?</p>	<p style="text-align: right;">Page 120</p> <p>1 MR. LEMBKE: Objection, vague.</p> <p>2 THE WITNESS: Yeah, I don't understand.</p> <p>3 BY MR. O'REAR:</p> <p>4 Q. Is it your position that this document,</p> <p>5 this resolution delegates to Mr. Johnson to make the</p> <p>6 decision to terminate and not close, excuse me, not</p> <p>7 close the transaction on November 30, 2018, without</p> <p>8 board approval, that this delegates that authority to</p> <p>9 him?</p> <p>10 MR. LEMBKE: Objection, still vague.</p> <p>11 Lack of foundation.</p> <p>12 THE WITNESS: I think I've said that I</p> <p>13 think that this language gave him the authority</p> <p>14 not to complete the transaction.</p> <p>15 BY MR. O'REAR:</p> <p>16 Q. My question is, does he have authority to</p> <p>17 do so only because of your position that that authority</p> <p>18 was delegated to him by the Board of Directors?</p> <p>19 MR. LEMBKE: Objection, calls for a legal</p> <p>20 conclusion.</p> <p>21 THE WITNESS: And I can't answer that</p> <p>22 without a very thorough review of all of his</p> <p>23 various authorities, which I'm not prepared to do</p> <p>24 on the spot.</p> <p>25 BY MR. O'REAR:</p>
<p style="text-align: right;">Page 119</p> <p>1 A. It authorizes him to terminate if</p> <p>2 environmental reviews cannot satisfactorily be</p> <p>3 completed.</p> <p>4 Q. Okay. And you have testified earlier</p> <p>5 those environmental reviews were satisfactorily</p> <p>6 completed, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. There's nothing in this resolution that</p> <p>9 says that the CEO has authority to terminate the</p> <p>10 property transfer process if there's a question about</p> <p>11 whether the construction permits must be transferred</p> <p>12 before the closing, is there?</p> <p>13 MR. LEMBKE: Objection, lack of</p> <p>14 foundation. Misstates the document.</p> <p>15 BY MR. O'REAR:</p> <p>16 Q. Is there? Is there anything in this</p> <p>17 resolution that specifically refers to the construction</p> <p>18 permits and the timing of that transfer as it relates</p> <p>19 to the closing?</p> <p>20 A. That with many other details are not</p> <p>21 specifically set forth.</p> <p>22 Q. Is it your position that Mr. Johnson</p> <p>23 could make that decision not to close the transaction</p> <p>24 only if it is delegated, the power to do so, is</p> <p>25 delegated to him by the Board of Directors of TVA?</p>	<p style="text-align: right;">Page 121</p> <p>1 Q. In general, who controls the litigation</p> <p>2 that TVA's involved in?</p> <p>3 A. Who controls it?</p> <p>4 Q. Yes.</p> <p>5 A. Can you be more specific?</p> <p>6 Q. Well, who makes the ultimate decisions</p> <p>7 regarding litigation that TVA is involved in?</p> <p>8 A. It depends on what the issue is and under</p> <p>9 whose authority it lies.</p> <p>10 Q. Are there any limitations on the</p> <p>11 authority of the CEO regarding litigation that TVA's</p> <p>12 involved in?</p> <p>13 MR. LEMBKE: Objection, vague and calling</p> <p>14 for a legal conclusion.</p> <p>15 THE WITNESS: I'm not sure I understand</p> <p>16 the question well enough to answer it.</p> <p>17 BY MR. O'REAR:</p> <p>18 Q. Are there any limitations on the CEO</p> <p>19 regarding decisions made involving litigation TVA's</p> <p>20 involved in that have monetary constraints or monetary</p> <p>21 limitations?</p> <p>22 MR. LEMBKE: Same objection.</p> <p>23 THE WITNESS: I don't know that I can</p> <p>24 answer your question. It's not -- can you be more</p> <p>25 specific?</p>

<p style="text-align: right;">Page 122</p> <p>1 BY MR. O'REAR:</p> <p>2 Q. Does TVA have any policies or practices</p> <p>3 regarding limitations on the CEO's authority to make</p> <p>4 decisions regarding litigation?</p> <p>5 MR. LEMBKE: Same objection.</p> <p>6 THE WITNESS: Without studying the issue</p> <p>7 I'm not sure I could give you a complete answer.</p> <p>8 BY MR. O'REAR:</p> <p>9 Q. Okay. Are there any litigation practices</p> <p>10 or guidelines of TVA that relate to litigation?</p> <p>11 A. I think there are some guidelines on, for</p> <p>12 example, settlement authority.</p> <p>13 Q. Okay. Tell us what that is.</p> <p>14 A. Guidelines on -- the guidelines relate to</p> <p>15 settlement authority that I have and that the CEO has.</p> <p>16 Q. And what are those limitations?</p> <p>17 MR. LEMBKE: We are going to designate --</p> <p>18 we'll be designating other parts of this</p> <p>19 deposition confidential, but we're certainly going</p> <p>20 to designate this entire line of questioning as</p> <p>21 confidential under the protective order.</p> <p>22 BY MR. O'REAR:</p> <p>23 Q. What are those limitations?</p> <p>24 A. There is a dollar limit on cases that the</p> <p>25 General Counsel can settle of \$200,000, and a dollar</p>	<p style="text-align: right;">Page 124</p> <p>1 to the CEO?</p> <p>2 MR. LEMBKE: Objection as to vagueness of</p> <p>3 what legal questions mean. You mean in the</p> <p>4 context of litigation?</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. Well, what about in the context of a</p> <p>7 claim that involves specific performance of a 111</p> <p>8 million dollar transaction and damages in excess of</p> <p>9 38 million dollars?</p> <p>10 MR. LEMBKE: Objection.</p> <p>11 BY MR. O'REAR:</p> <p>12 Q. Is that within the -- is it with within</p> <p>13 the purview of the CEO to make decisions regarding</p> <p>14 claims of those size, of that size?</p> <p>15 MR. LEMBKE: Object as to vague. You can</p> <p>16 answer if you understand it.</p> <p>17 THE WITNESS: He has authority to make</p> <p>18 decisions on litigation except the only limitation</p> <p>19 I'm aware of is the settlement authority, but</p> <p>20 again I have not made a study of this so I don't</p> <p>21 know whether there are limitations out there that</p> <p>22 I'm not aware of.</p> <p>23 BY MR. O'REAR:</p> <p>24 Q. Did you know when you sent the letter on</p> <p>25 November 29, 2018, to Mr. Blust that TVA was not going</p>
<p style="text-align: right;">Page 123</p> <p>1 limit on what the CEO can settle of a million dollars.</p> <p>2 Q. And that is a limitation that allows them</p> <p>3 to make settlement of cases within those limitations</p> <p>4 without board approval, is that correct?</p> <p>5 A. In the case of the CEO, yes.</p> <p>6 Q. What about in the case of the General</p> <p>7 Counsel?</p> <p>8 A. If the General Counsel lacks the</p> <p>9 authority then possibly the CEO can use his broader</p> <p>10 authority.</p> <p>11 Q. Okay. For example, can you as CEO settle</p> <p>12 a case for TVA under --</p> <p>13 MR. LEMBKE: You mean as General Counsel?</p> <p>14 BY MR. O'REAR:</p> <p>15 Q. Yeah, as General Counsel settle a case</p> <p>16 for TVA under \$200,000?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. And can Mr. Johnson make the final</p> <p>19 decision or could he have made the final decision in</p> <p>20 2018 to settle a case involving TVA under two million</p> <p>21 dollars or one million dollars?</p> <p>22 A. One million, yes.</p> <p>23 Q. And would legal questions that involved</p> <p>24 monetary considerations in excess of a million dollars</p> <p>25 need to be decided by the Board of Directors as opposed</p>	<p style="text-align: right;">Page 125</p> <p>1 to close, that litigation would ensue from Nuclear</p> <p>2 Development?</p> <p>3 A. Which letter is this?</p> <p>4 Q. The letter that you wrote on November 29,</p> <p>5 2018? It should be exhibit -- I'm sorry. It was</p> <p>6 stuck.</p> <p>7 (Exhibit 24 - Previously marked - Bates No.</p> <p>8 TVABLN00002651 through 2652, Letter from Sherry</p> <p>9 Quirk to Nuclear Development and Larry Blust.)</p> <p>10 BY MR. O'REAR:</p> <p>11 Q. I'm handing you what's been marked as</p> <p>12 Exhibit 24.</p> <p>13 A. And the question again?</p> <p>14 Q. Did you know when you sent that letter to</p> <p>15 Mr. Blust that litigation would ensue from Nuclear</p> <p>16 Development?</p> <p>17 A. I knew that was a possibility.</p> <p>18 Q. Do you recall Mr. Johnson saying prior to</p> <p>19 your sending of that letter that he was certain</p> <p>20 litigation would be filed by Nuclear Development?</p> <p>21 MR. LEMBKE: Miss Quirk, to the extent</p> <p>22 that would require you to disclose an</p> <p>23 attorney/client communication, you should not do</p> <p>24 so.</p> <p>25 To the extent you can answer it without</p>

<p style="text-align: right;">Page 126</p> <p>1 disclosing attorney/client communication, go 2 ahead. 3 THE WITNESS: I actually don't recall. 4 BY MR. O'REAR: 5 Q. Did Mr. Johnson as CEO have authority to 6 make the decision not to close the transaction if he 7 knew by making that decision that TVA would be hit with 8 a lawsuit involving specific performance and a claim 9 for damages in excess of 38 million dollars? 10 MR. LEMBKE: Object to the form. I think 11 it's asked and answered, and it calls for a legal 12 conclusion. If you can answer it again. 13 THE WITNESS: Yes. 14 BY MR. O'REAR: 15 Q. He did have authority? 16 A. Yes. 17 Q. To make that decision without board 18 approval? 19 A. Yes. 20 Q. And that's based on Exhibit 4 that you 21 just alluded to, is that correct? 22 A. And many other authorities that he has as 23 CEO. 24 Q. Well, tell me about those. Tell me about 25 those other authorities?</p>	<p style="text-align: right;">Page 128</p> <p>1 MR. LEMBKE: Miss Quirk, I instruct you 2 not to answer the question to the extent it would 3 require you to disclose attorney/client 4 communications or your -- or your staff's or your 5 outside counsel's work product. 6 If you can answer it without doing so, go 7 ahead. 8 THE WITNESS: I don't think I can answer 9 it. 10 BY MR. O'REAR: 11 Q. Had TVA ever encountered that issue 12 before? 13 A. I'm not certain. 14 Q. Do you know? 15 A. Not that I'm aware. 16 (Exhibit 28 - Bates No TVABLN00000040, e-mail 17 from Sherry Quirk to Larry Blust and others dated 18 November 16, 2018.) 19 BY MR. O'REAR: 20 Q. I've handed you Exhibit 28. Can you 21 identify that as an e-mail that you sent to Larry Blust 22 on November 16, 2018? 23 A. Yes. 24 Q. And the second e-mail in that exhibit is 25 an e-mail from Mr. Blust to Clifford Beach with a copy</p>
<p style="text-align: right;">Page 127</p> <p>1 A. Well, as CEO of the -- of TVA he has the 2 authority to be the top executive in the agency. So he 3 has the authority to take, you know, executive action. 4 Q. Is his authority limited to whatever the 5 board delegated to him? 6 MR. LEMBKE: Objection, calls for a legal 7 conclusion. 8 THE WITNESS: I think I've already told 9 you that I think he had authority based on the 10 resolution. 11 What I'm saying is that I don't think 12 that his authorities are limited necessarily by 13 that alone, but I haven't studied the full extent 14 of his authority, so I'm not prepared to go beyond 15 that. 16 BY MR. O'REAR: 17 Q. And you can't identify today any other 18 authorities that would give him the authorization to do 19 that? 20 A. Not having prepared or studied or 21 reviewed this, no. 22 Q. Do you consider this question of whether 23 the transfers of the construction permits must occur 24 before the transfer of the property to be a novel legal 25 question?</p>	<p style="text-align: right;">Page 129</p> <p>1 to you relating to the section of the Atomic Energy Act 2 that's referenced in the third e-mail of that e-mail 3 string, correct? 4 A. Yes. 5 Q. And your response was that you planned on 6 speaking with Bill on Monday, correct? 7 A. Yes. 8 Q. That would have been November the 19th, 9 2018? 10 A. Right. 11 Q. And Bill is Bill Johnson, correct? 12 A. That's correct. 13 (Exhibit 29 - Bates No. TVABLN00000042, e-mail 14 from Larry Blust to Sherry Quirk dated November 15 23, 2018.) 16 BY MR. O'REAR: 17 Q. Can you identify Exhibit 29 as an e-mail 18 sent from Larry Blust to you on November 28, 2018, at 19 4:13 p.m.? 20 A. Yes. 21 Q. And you would have received and 22 considered that e-mail, correct? 23 A. Yes. 24 (Exhibit 30 - Bates No. TVABLN00000660 through 25 661, e-mail from Larry Blust to Clifford Beach,</p>

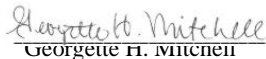


<p style="text-align: right;">Page 130</p> <p>1 dated November 28, 2018.)</p> <p>2 BY MR. O'REAR:</p> <p>3 Q. If you would look at Exhibit 30. Can you</p> <p>4 identify that as another e-mail sent to you by Larry</p> <p>5 Blust on November 28, 2018, at 7:03 p.m., which was</p> <p>6 directed to Clifford Beach but copied to you as well?</p> <p>7 A. Yes.</p> <p>8 Q. And as late as 7 p.m., two days prior to</p> <p>9 the closing Mr. Blust is still trying to get an answer</p> <p>10 from TVA about whether the transaction will close on</p> <p>11 that Friday, correct?</p> <p>12 A. Correct.</p> <p>13 (Exhibit 31 - Bates No. ND_004950, e-mail from</p> <p>14 Sherry Quirk to Larry Blust dated November 29,</p> <p>15 2018.)</p> <p>16 BY MR. O'REAR:</p> <p>17 Q. If you will look at Exhibit 31. Is that</p> <p>18 an e-mail dated November 29, 2018, at 9:09 p.m. from</p> <p>19 you to Larry Blust attaching the November 29, 2018,</p> <p>20 letter that we just referred to by you to him?</p> <p>21 A. Yes.</p> <p>22 Q. So it was not until the day before the</p> <p>23 closing at 9:09 p.m. that TVA advised Nuclear</p> <p>24 Development that it would not close the next day, is</p> <p>25 that correct?</p>	<p style="text-align: right;">Page 132</p> <p>1 Q. And that was based on Mr. Johnson's</p> <p>2 decision not to close the transaction, correct?</p> <p>3 A. That is correct.</p> <p>4 Q. So his decision was made before he</p> <p>5 reviewed the position stated in Mr. Blust's letter</p> <p>6 received the next day, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. Before you sent your letter on November</p> <p>9 the 29, 2018, stating that TVA would not close the</p> <p>10 transaction, did TVA ever ask of the Nuclear Regulatory</p> <p>11 Commission what its position was on this issue?</p> <p>12 A. I believe there were conversations</p> <p>13 between Chris Chandler and NRC staff, but I don't know</p> <p>14 the specifics of them.</p> <p>15 Q. Do you know what the NRC staff said in</p> <p>16 those conversations?</p> <p>17 A. I don't know with particularity.</p> <p>18 Q. Do you know generally?</p> <p>19 A. I know that it did not give us comfort</p> <p>20 that we could go forward and close.</p> <p>21 Q. And what's that based on?</p> <p>22 A. Based on the content of the conversations</p> <p>23 as communicated to me at the time. There was no -- no</p> <p>24 firm information coming from the NRC indicating that we</p> <p>25 could close the transaction without violating the law.</p>
<p style="text-align: right;">Page 131</p> <p>1 A. That's correct.</p> <p>2 (Exhibit 25 - Bates No. TVABLN00006461 through</p> <p>3 6464, e-mail and attachments from Sherry Quirk to</p> <p>4 others dated November 30, 2018.)</p> <p>5 BY MR. O'REAR:</p> <p>6 Q. If you would look at Exhibit 25</p> <p>7 previously marked at Mr. Johnson's deposition. Can you</p> <p>8 identify that as an e-mail from Larry Blust to you on</p> <p>9 Friday, November the 30th at 4:02 p.m., that you in</p> <p>10 turn forwarded to others at TVA?</p> <p>11 A. Yes.</p> <p>12 Q. And did that e-mail attach Mr. Blust's</p> <p>13 letter of November 30, 2018, that we see attached to</p> <p>14 this exhibit?</p> <p>15 A. Yes.</p> <p>16 Q. Mr. Johnson's decision not to close the</p> <p>17 transaction had already occurred before this letter</p> <p>18 from Mr. Blust was received, is that correct?</p> <p>19 A. I'm not --</p> <p>20 Q. Well, your letter was sent 9:09 p.m. the</p> <p>21 day before?</p> <p>22 A. Yes.</p> <p>23 Q. And it said we're not going to close the</p> <p>24 transaction?</p> <p>25 A. Right.</p>	<p style="text-align: right;">Page 133</p> <p>1 Q. And how did you receive that information?</p> <p>2 MR. LEMBKE: Objection, vague, when you</p> <p>3 say how.</p> <p>4 BY MR. O'REAR:</p> <p>5 Q. Who gave you that information?</p> <p>6 A. That would have been Chris Chandler.</p> <p>7 Q. Were you aware that Nuclear Development</p> <p>8 filed an application for transfer of the construction</p> <p>9 permits with the NRC on November 13, 2018?</p> <p>10 A. I was aware they filed. I would not be</p> <p>11 able to draw the date out of the air, though.</p> <p>12 Q. To your knowledge, has TVA commented or</p> <p>13 objected in any respect to Nuclear Development's</p> <p>14 application?</p> <p>15 A. Not as far as I'm aware.</p> <p>16 Q. Do you have any expectation you will be</p> <p>17 an expert witness in this case?</p> <p>18 MR. LEMBKE: Miss Quirk, I instruct you</p> <p>19 not to answer that question to the extent it would</p> <p>20 require you to disclose communications between you</p> <p>21 and your inside or outside counsel.</p> <p>22 THE WITNESS: What case are you referring</p> <p>23 to?</p> <p>24 BY MR. O'REAR:</p> <p>25 Q. This lawsuit.</p>

<p style="text-align: right;">Page 134</p> <p>1 MR. LEMBKE: I'll also -- in fact, I'm 2 going to instruct you not to answer that question. 3 There is an expert disclosure deadline and there's 4 no way that she could ever answer that question 5 without disclosing attorney/client communications 6 and work product. 7 BY MR. O'REAR: 8 Q. Who is the person within the legal 9 department of TVA that has the most expertise regarding 10 issues of nuclear licensing? 11 A. Chris Chandler. 12 Q. And how long has he worked at TVA? 13 A. Longer than I have, but I'm not sure when 14 he began. 15 MR. LEMBKE: I think you're at 32. 16 (Exhibit 32 - Bates No. Bates No. TVABLN00009316 17 through 9328, handwritten notes.) 18 BY MR. O'REAR: 19 Q. I've handed you what's been marked as 20 Exhibit 32. Have you seen those notes before? 21 A. No. 22 Q. Are those your notes? 23 A. No. 24 Q. Do you know whose notes they are? 25 A. I do not.</p>	<p style="text-align: right;">Page 136</p> <p>1 Bellefonte plant? 2 A. My first recollection is that maybe in 3 the June or July timeframe of 2015 I received a 4 document that was a relatively short document that 5 seemed to contemplate a lease of the Bellefonte site to 6 an entity associated with Franklin Haney that related 7 to the Bellefonte site, and I took a look at it and 8 reviewed it at least generally, when I was told by Mr. 9 Johnson that we would be going to a meeting on this 10 subject with the Governor of Alabama, who at that point 11 was Governor Bentley. 12 Q. Did you go to that meeting? 13 A. I did go to the meeting. 14 Q. And who do you recall being in attendance 15 at that meeting? 16 A. Well, there was a whole room of full of 17 people but what I remember is for TVA it was myself, 18 Bill Johnson, Justin Maierhofer, Joe Rich who at that 19 point was chair of the TVA board, and then Mark 20 Crosswhite who was the president of Alabama Power at 21 that point. 22 Then Franklin Haney, his son, Frank Jr., 23 Mr. Blust. I believe Bud Cramer was there. I don't 24 recall whether Bill McCollum was there, he may have 25 been, and then a number of staff for the Governor.</p>
<p style="text-align: right;">Page 135</p> <p>1 Q. Okay. If you'd look to the last two 2 pages of that exhibit. Are those your typed written 3 notes? 4 A. I don't recognize them. 5 Q. Okay. Do you know whose notes they are? 6 A. I don't. 7 MR. O'REAR: I think I'm finished with my 8 questioning. I do reserve the right to recall the 9 witness to ask questions regarding objections on 10 privilege that were taken in the deposition if 11 they turn out to be not meritorious. 12 MR. LEMBKE: Let's take a short break. 13 I'll have some questions for the witness. 14 MR. O'REAR: All right. 15 THE VIDEOGRAPHER: The time is 1:19 and 16 we're going off the record. 17 (Recess taken.) 18 THE VIDEOGRAPHER: The time is 1:26, and 19 we're back on the record. 20 EXAMINATION BY MR. LEMBKE: 21 Q. Miss Quirk, Matt Lembke for TVA, and I 22 have just a few questions for you. 23 First, after you got to TVA, what was 24 your first involvement with either Franklin Haney or 25 any of his associates or companies with regard to the</p>	<p style="text-align: right;">Page 137</p> <p>1 There may have been other people present, but that's 2 what I recall. 3 Q. And was Governor Bentley present in that 4 meeting? 5 A. Yes, he was. 6 Q. And what do you recall being discussed at 7 that meeting? 8 A. The discussion in the meeting was the 9 Governor's interest in seeing the Bellefonte site 10 developed, and he began the meeting by saying that he 11 had an interest in something happening at the site, and 12 he wanted to bring these particular parties together in 13 order to see if progress could be made toward that end. 14 Q. And what is your understanding of why Mr. 15 Crosswhite of Alabama Power was there? 16 A. My understanding is that Mr. Crosswhite 17 had been approached with a question of whether Alabama 18 Power would be willing to buy power from the site if it 19 were developed. 20 Q. And what did Mr. Crosswhite say in the 21 meeting about that proposal? 22 A. That he did not have interest in that, 23 that Alabama Power didn't need power. If they were 24 going to build a nuclear site they would build one in 25 their own service territory. I think his last words</p>



<p style="text-align: right;">Page 138</p> <p>1 were something like leave me out of this.</p> <p>2 Q. And do you recall what the proposal was</p> <p>3 for TVA's role in this proposed transaction that Mr.</p> <p>4 Haney had put forward?</p> <p>5 A. I believe that our role was intended to</p> <p>6 be to lease the site to Mr. Haney to develop it and I</p> <p>7 think his -- Mr. Haney's interest was in selling to</p> <p>8 power to Alabama power.</p> <p>9 Q. All right. And what was Mr. Johnson's</p> <p>10 response to that proposal at the meeting?</p> <p>11 A. He said we don't -- we, TVA, don't need</p> <p>12 the power. We have just completed an IRP.</p> <p>13 Q. What is IRP?</p> <p>14 A. Integrated Resource Plan, determining</p> <p>15 that we do not need the Bellefonte plant, so it doesn't</p> <p>16 make sense for us to develop it, but we don't want to</p> <p>17 stand in the way of somebody else developing it if they</p> <p>18 believe that they can, but we don't need the power. We</p> <p>19 don't have an interest in that.</p> <p>20 Q. What, if any, was the takeaway or</p> <p>21 conclusion from the meeting?</p> <p>22 A. The takeaway was that Mr. Haney was</p> <p>23 interested in acquiring the site, whether by lease or</p> <p>24 by sale, and that he believed that he could develop the</p> <p>25 site.</p>	<p style="text-align: right;">Page 140</p> <p>1 this to be surplus property and to sell it at auction.</p> <p>2 Q. And did that then culminate in the</p> <p>3 resolution that we looked at earlier in the deposition,</p> <p>4 Exhibit 4?</p> <p>5 A. Yes, it did.</p> <p>6 Q. Okay. I also want to ask you earlier Mr.</p> <p>7 O'Rear showed you Exhibit 10.</p> <p>8 A. Yes.</p> <p>9 Q. Which was the report of the public</p> <p>10 meeting in August of 2018 involving the NRC and Nuclear</p> <p>11 Development, and Mr. O'rear asked you some questions</p> <p>12 about on the second page, the third bullet point which</p> <p>13 says "ND will begin engineering and licensed work in</p> <p>14 parallel upon closure of the sale."</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. What was your understanding of what is</p> <p>18 meant there by licensing work?</p> <p>19 A. That is the work in connection with</p> <p>20 obtaining a license for the project, which is in</p> <p>21 contrast to the permits. So that would come later in</p> <p>22 time after transfer of the permits.</p> <p>23 Q. All right. And what, if any, relation is</p> <p>24 there between licensing and resuming active</p> <p>25 construction?</p>
<p style="text-align: right;">Page 139</p> <p>1 Q. All right. And after that meeting, what</p> <p>2 happened next with regard to Mr. Haney and his interest</p> <p>3 in the Bellefonte site as best you recall?</p> <p>4 A. My memory is that after that -- well, at</p> <p>5 the conclusion of the meeting, the matter was left in</p> <p>6 my hands and Mr. Blust's hands to work toward -- to see</p> <p>7 whether some kind of transfer of the property could</p> <p>8 occur.</p> <p>9 Q. And following the meeting, what do you</p> <p>10 recall happening after the meeting?</p> <p>11 A. Then we had a series of phone calls, some</p> <p>12 involving me, some involving others on my staff as we</p> <p>13 attempted to ascertain what steps would need to be</p> <p>14 taken in order for this site to be transferred to Mr.</p> <p>15 Haney or an entity under his control.</p> <p>16 Q. All right. And what was the end result</p> <p>17 of that process?</p> <p>18 A. The end result was that we determined --</p> <p>19 we issued a request for comments and collected</p> <p>20 comments.</p> <p>21 Q. Comments from whom?</p> <p>22 A. From the public on what members of the</p> <p>23 public thought that we should do with the site, and</p> <p>24 with these comments we determined that the appropriate</p> <p>25 course would be to recommend that the board declare</p>	<p style="text-align: right;">Page 141</p> <p>1 A. To resume active construction I think</p> <p>2 requires some licensing activity.</p> <p>3 Q. Okay. Now, in the lead up to</p> <p>4 November 30, 2018, do you recall having any</p> <p>5 conversations in which Mr. Blust talked about his view</p> <p>6 of the requirements of the Atomic Energy Act?</p> <p>7 A. We had some conversations about that,</p> <p>8 yes.</p> <p>9 Q. And what do you recall Mr. Blust saying?</p> <p>10 A. I think we --</p> <p>11 MR. O'REAR: Objection, vague, without</p> <p>12 identifying when this happened.</p> <p>13 BY MR. LEMBKE:</p> <p>14 Q. What is your best estimate of the month</p> <p>15 in which you had conversations with Mr. Blust in which</p> <p>16 he talked about the Atomic Energy Act and his view of</p> <p>17 it?</p> <p>18 A. I think it was roughly coincident with</p> <p>19 the e-mail that opposing counsel showed me setting</p> <p>20 forth the Tim Matthews points and Mr. Blust's view.</p> <p>21 I don't recall the date of that e-mail,</p> <p>22 but it's roughly that timeframe.</p> <p>23 Q. All right. Let me find that e-mail so we</p> <p>24 can have it.</p> <p>25 (Exhibit 15 - Previously marked - Bates No.</p>

<p style="text-align: right;">Page 142</p> <p>1 TVABLN00006245 though 6246, Email from Autumn 2 Beeler to Clifford Beach and others dated 3 October 25, 2018.) 4 BY MR. LEMBKE: 5 Q. Miss Quirk, let me show you what was 6 previously marked as Exhibit 15. 7 A. Yes. 8 Q. Is that the e-mail you're receiving to? 9 A. No, but I think this is probably the same 10 vintage. 11 Q. Okay. And what is that time period? 12 A. It's roughly October 24th. 13 Q. Okay. So what is your recollection, if 14 any, of any statement by Mr. Blust about his view of 15 the Atomic Energy Act and it's applicability to the 16 situation? 17 MR. O'REAR: Objection, without 18 identifying a specific time. 19 BY MR. LEMBKE: 20 Q. Go ahead. 21 A. Well, my recollection is that we 22 discussed the fact that the Atomic Energy Act presented 23 some complexities and difficulties and created some 24 issues for both sides to go forward, but Mr. Blust's 25 view was that we -- we could go forward and just face</p>	<p style="text-align: right;">Page 144</p> <p>1 C E R T I F I C A T E 2 STATE OF TENNESSEE 3 COUNTY OF KNOX 4 I, Georgette H. Mitchell, Registered 5 Professional Reporter, Licensed Court Reporter #55 and 6 Notary Public, do hereby certify that I reported in 7 machine shorthand the videotaped deposition of SHERRY 8 QUIRK, called as a witness at the instance of the 9 Plaintiff, that the said witness was duly sworn by me; 10 that the reading and subscribing of the deposition by 11 the witness was not waived; that the foregoing pages 12 were transcribed under my personal supervision and 13 constitute a true and accurate record of the deposition 14 of said witness. 15 I further certify that I am not an attorney or 16 counsel of any of the parties, nor an employee or 17 relative of any attorney or counsel connected with the 18 action, nor financially interested in the action. 19 Witness my hand and seal this the 6th day of 20 November, 2019. 21 22  Georgette H. Mitchell 23 Registered Professional Reporter, Licensed Court 24 Reporter 55, LCR expires 6-30-20 and Notary Public 25 My Commission Expires: February 2, 2020</p>
<p style="text-align: right;">Page 143</p> <p>1 the possibility of penalties. 2 Q. All right. And was that on a telephone 3 conversation or face-to-face meeting? 4 A. I believe it was a telephone 5 conversation. 6 Q. Okay. Earlier you looked at Exhibit 1 7 which is the purchase and sale agreement between TVA 8 and Nuclear Development with regard to the Bellefonte 9 site. 10 A. Yes. 11 Q. Did the board review and approve the 12 terms and conditions of that contract before it was 13 executed by TVA? 14 A. No, it did not. 15 MR. LEMBKE: I don't have any further 16 questions. 17 MR. O'REAR: Nothing further. 18 MR. LEMBKE: That's it. 19 THE VIDEOGRAPHER: The time is 1:37. 20 This marks the end of this deposition. 21 Two media units were used, and we're going off the 22 record. 23 (The deposition concluded at 1:37 p.m.) 24 FURTHER THIS DEPONENT SAITH NOT. 25</p>	<p style="text-align: right;">Page 145</p> <p>1 To: Matthew H. Lembke, Esq. 2 Re: Signature of Deponent Sherry Quirk 3 Date Errata due back at our offices: 12/6/2019 4 5 Greetings: 6 This deposition has been requested for read and sign by the deponent. It is the deponent's responsibility to 7 review the transcript, noting any changes or corrections on the attached PDF Errata. The deponent may fill 8 out the Errata electronically or print and fill out manually. 9 10 Once the Errata is signed by the deponent and notarized, please mail it to the offices of Veritext (below). 11 12 When the signed Errata is returned to us, we will seal and forward to the taking attorney to file with the 13 original transcript. We will also send copies of the Errata to all ordering parties. 14 15 If the signed Errata is not returned within the time above, the original transcript may be filed with the 16 court without the signature of the deponent. 17 18 Please Email the completed errata/witness cert page to readandsign@veritext.com 19 or mail to 20 Veritext Production Facility 21 2031 Shady Crest Drive 22 Hoover, AL 35216 23 205-397-2397 24 25</p>

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1 ERRATA for ASSIGNMENT #3531758  
 2 I, the undersigned, do hereby certify that I have read the  
 transcript of my testimony, and that  
 3  
 4 \_\_\_ There are no changes noted.  
 5 \_\_\_ The following changes are noted:  
 6  
 Pursuant to Civil Procedure, Rule 30. ALA. CODE § 5-30(e)  
 7 (2017). Rule 30(e) states any changes in form or  
 substance which you desire to make to your testimony shall  
 8 be entered upon the deposition with a statement of the  
 reasons given for making them. To assist you in making any  
 9 such corrections, please use the form below. If additional  
 pages are necessary, please furnish same and attach.

10  
 11 Page \_\_\_ Line \_\_\_ Change \_\_\_\_\_  
 12 \_\_\_\_\_  
 13 Reason for change \_\_\_\_\_  
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 DEPONENT'S SIGNATURE  
 19  
 Sworn to and subscribed before me this \_\_\_ day of  
 20 \_\_\_\_\_, \_\_\_\_\_.  
 21 \_\_\_\_\_  
 22 \_\_\_\_\_  
 23 NOTARY PUBLIC / My Commission Expires: \_\_\_\_\_  
 24  
 25

38 (Pages 146 - 147)